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Vol. III

TRANSCRIPT OF RECORD

(VOL. 1 OF EXHIBITS)

Supreme Court of the United States

OCTOBER TERM, 1940

No. 594

UNION PACIFIC RAILROAD COMPANY, A CORPORATION; CITY OF KANSAS CITY, KANSAS; DON C. McCOMBS, FRANCIS BLAKE AND GEORGE T. DARBY, COMMISSIONERS, ETC., ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA, THE ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY, CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY, ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF MISSOURI

FILED NOVEMBER 25, 1940.

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VOL. III

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[fol. 1] PLAINTIFF'S EXHIBIT No. 1

Directory of Union Pacific Officials and Other Parties to Correspondence

[fol. 2] Directory of Union Pacific Officials

Name	Title
Ashby, G. F. (G.F.A.)	Assistant to President
Benham, W. H.	General Agent
Bennewitz, J. A.	Asst. Western General Counsel
Bockes, T. W. (T.W.B.)	General Solicitor
Cahill, C. P.	Superintendent
Charske, F. W. (F.W.C.)	Chariman Executive Committee
Clark, Henry W. (H.W.C.)	U.P. and General Counsel
Davis, J. E. (J.E.D.)	Asst. to Vice-President—Traffic
Ess, Henry	Counsel, Kansas City, Missouri
Gray, C. R.	Vice Chairman, Board of Directors
Haugh, J. L. (J.L.H.)	Vice-President
Higgins, H. N. (H.N.G.)	
Jeffers, W. M. (W.M.J.)	President
Lillard, Thos. M.	Counsel U. P. State of Kansas
Mann, H. C.	U.P.—Operations
Mindemann, K. T.	
Mitchell, R. R. (R.R.M.)	Freight Traffic Manager
Motter, Louis	General Freight & Passenger Agent
Mueller, J. W. (J.W.M.)	Industrial Agent
Northcott, H. B.	A. G. P. A.
Peters, R. A. (R.A.P.)	General Agent
Prater, B. H.	Chief Engineer
Rigdon, Paul (P.R.)	Assistant Secretary
Robinson, F. W. (F.W.R.)	Vice-President—Traffic
Rouse, W. R.	Counsel—Omaha
Salmen, L. H. (L.H.S.)	(K.C.I.L.Co.)
Schmidt, E. C.	Asst. to President—Public Relations
Souby, J. M. (J.M.S.)	Former Western General Counsel
Spencer, A. C.	Western General Counsel
Stanley, G. E. (G.E.S.)	Executive Assistant
Terrill, M. T.	
Toland, H. A. (H.A.T.)	General Auditor
Ure, W. S.	Auditor Station Accounts
Weedin, C. C. (C.C.W.)	General Freight & Passenger Agent
Wellman, W. T.	Engineer
Whipple, H. L.	
Wilcox, L. T. (L.T.W.)	A.F.T.M.
Williams, N. A. (N.A.W.)	General Manager

[fol. 3] Directory of Parties to Correspondence
Other Than Union Pacific

Name	Title	Company
Armstrong, J.T.H.	Ass't Gen. Mngr.	Pacific Fruit Express
Armstrong, Paul S.		
Baldwin, L. W.	Chief Exec. Officer	Mo. Pac. R. R.
Bevington, M. R.	Special Agt., PWA	
Breidenthal, Willard	President	Riverview State Bank, KCKS
Bull, Geo.	Regional Director, PWA	
Clark, E. M.	Asst. Administrator, PWA	
Cravens, R. R.	Vice President	Stifel Nicolais Co.
Darby, Geo. T.	City Commissioner	KCKS
DeOreo, Joseph		Cleveland, Ohio
Dodds, E. M.	President	U. S. Cold Storage Co.
Fean, Wm.		Columbus, Ohio
Fryer, E. B.	General Agt.	Pacific Fruit Express
Gentry, Alonzo H.	Architect	Gebtry-Voskamp-Neville
Gratz, Turney		
Gray, Howard		PWA
Higgins, H. N.	Coordinating Engr.	KCKS Food Terminal
McCombs, Don C.	Mayor	KCKS
Ketcham, T.		Stifel Nicolaus Co.
Payne, Howard	City Clerk	KCKS
Radotinsky, Joseph W.	Architect	KCKS
Reed, E. G.	Supt. Agri. Devel.	UPRR
Rhode, F. F.	V. P.	Federal Cold Storage Co.
Schaible, H. F.	City Commissioner	KCKS
[fol. 4]		
Schlup, Truman	City Engineer	KCKS
Schulz, Walter F.	Engineer	KCFT
Sinek, W. J.	Vice President	City Ice & Fuel Co.
Skinner, A. H.	City Attorney	KCKS
Stifel, A. G.	President	Stifel Nicolaus Co.
Von Weise, L. B.	Vice President	City Ice & Fuel Co.
Waggener, W. P.	General Attorney	Mo. Pac. R. R.
Walter, E. E.		Pacific Fruit Exp.
Willette, Ray	Secretary	KCKS C of C
Wuss	Asst. Vice President	Stifel Nicolaus Co.

[fol. 5] PLAINTIFF'S EXHIBIT No. 2

President's File No. 912

Volume 1

[fol. 6] (Copy)

Cleveland, Ohio, December 3rd, 1936.

Mr. C. C. Weedin, Kansas City.

We are attaching hereto the latest map we have of the Fairfax Industrial District in Kansas City, and for your information, wish to advise I have a man who has had a great deal of experience in developing food terminals and *and* he has in mind the possibility of doing this in Kansas City, and he has asked me to find out what the distance

from the retail section of the city is to property in our Fairfax District, where he might lease 20 to 30 acres for putting up a produce terminal. He would also like to know what the cost for leasing would be, and how about trackage; and if there is any available property closer than this to the retail district of Kansas City.

This man's plan would be to float a bond issue to put up the terminal, and it would be divided into units. Then he would endeavor to get the various wholesale produce brokers interested in taking such units as they might require, paying for them over perhaps a period of 20 years at so much a month, then the property would be theirs.

I do not know that Mr. True is an- longer with us, as we have not heard from him for sometime, but here is a man that might well be interviewed by Mr. True or such representative as we may have that can fully go over this matter in detail with this gentleman for he has a big proposition and is able to finance and is very friendly to the Union Pacific; also he knows all about the produce business.

I would appreciate it if you will send me an up to date map of this industrial district, also arrange for possibly coming to Cleveland to go over in detail the above proposition with this man, who does not care, just at the moment, to have his name brought into this.

Will appreciate it if you will give this matter your careful thought and advise as soon as possible.

W. H. Benham.

WHB:kmk.

[fol. 7] (Copy)

Kansas City, Mo., December 9, 1936.

Mr. J. L. Haugh:

Attached is copy of letter from Mr. Benham to Mr. Weedin, dated December 3rd and copy of my letter of even date.

I think there is a real opportunity for a large produce terminal here. If someone from the outside with resources and good organization ability, would take hold of this matter it would be possible to do something of the nature suggested on the Public Levee.

I personally doubt if Fairfax would be a suitable location.

(Signed) G. E. Stanley.

[fol. 8] (Copy)

Kansas City, Mo., December 9, 1936.

Mr. W. H. Benham, Cleveland:

Referring to your letter of December 3rd to Mr. Weedin, about the possibility of establishing a produce terminal on the Union Pacific at Kansas City:

The map which accompanied your letter is the most recent map made of the Failfax Industrial District, although a new map will be made sometime after the first of the year to show new improvements and other current developments effecting the district.

It is approximately seven minutes by automobile from the down-town retail district to the center of our district and in fact, from the standpoint of acquiring a site of 20 or 25 acres at Kansas City, our district is as close to the retail district as any available vacant property.

The main thoroughfare between Kansas City, Missouri and Kansas City, Kansas is the modern Intercity Viaduct with four traffic lanes. Our district begins near the west end of that viaduct and the main retail street in Kansas City, Kansas extends directly into our district as shown by dotted red lines on the attached print. I have shown the Intercity Viaduct by dotted blue lines and made a circle around the retail districts of both cities.

In the southerly portion of our district, Kansas City, Kansas owns 102 acres of land. It is known as the Public Levee and was dedicated for public purposes. The Legislature of Kansas authorized the city *ot* lease this property for market, industrial and railroad purposes and the city now has the legal right to enter into 99 year leases. In order to develop the property the city voted $300,000 bond issue and negiotiated a revenue loan and grant from P. W. A. in the aggregate amount of $1,456,000. The main street in the district has been improved at a cost of $230,000 and beginning in the early part of 1937, a new viaduct will be constructed at a cost of approximately $340,000 to span the railroad tracks of the Union Pacific, Missouri Pacific and Chicago, Great Western. I attach hereto an artist's conception of this development and it represents a view of the property as it will appear to travelers on the prominent Intercity Viaduct.

The large grain terminal is now under construction and will be exclusively served by the Union Pacific Railroad. The largest river is the Missouri and the perspective also shows the confluence of the Kaw. The perspective in the background is accurate and shows that Minnesota Avenue, the main street in Kansas City, Kansas, extends easterly to the Public Levee. The curved viaduct shown in the perspective is the one to be constructed at cost before men-
[fol. 9] tioned and the street leading directly north is Fairfax Road. The other streets shown in the photograph have not been constructed and the ground is unplatted, (note directions indicated on margin of photograph).

The circle at the confluence of the two streams has been set aside by the city for a memorial to Lewis and Clark, as this was their camping place when they explored the Missouri River in 1804.

The land along the north bank of the Kaw River has been leased but the remaining portion shown in the photograph south of Jersey Creek would approximate 25 or 30 acres. The tract of land would be approximately 700 feet wide and 2,000 feet long. It can be conveniently served by the Union Pacific.

The Public Levee represented in the photograph is being hydraulically filled and about 700,000 cubic yards of dredged material will elevate the property above high water mark. The property is by character and location well suited for a produce terminal.

The city valued this property for leasing purposes at 60 cents per square foot and the minimum lease price is 3.6 cents per square foot per annum. The rental includes taxes as the property is publicly owned and i not subject to taxation. Any improvement constructed on the land would be assessed as personal property and fair treatment would be accorded an enterprise of the character mentioned.

We have established very friendly relations with the City officials of Kansas City, Kansas and in case this property appeals to your prospect, I would recommend that an early investigation be made of the property as it is now being improved and I anticipate an active demand for the property.

I believe that your inquiry comes at a very opportune time and you may assure your people there that we will treat any information with the strictest of confidence. We would also be pleased to establish direct relations for them

with the City officials and do anything within our power to cooperate. On the other hand, if they feel that our property in the Fairfax Industrial District is more suitable for their purpose, we will be pleased to sell the property to them at a reasonable price or lease the same for a long period of years with option to purchase.

In view of the foregoing report, it may be advisable to give you a general resume of the produce terminal situation at Kansas City. Many years ago the city market was established adjoining the City Hall of Kansas City, Missouri. It is both a wholesale and retail market and is now completely surrounded by a slum area. The principal portion of the market is served by the Kansas City Southern and the Missouri Pacific has some nearby terminals. If a wholesaler wants to set a car at the city market, it is necessary to [fol. 10] move within a short distance from the Public Levee and pass the city market on a low grade to Troost Avenue where the Kansas City Southern has a high grade line and the car is then switched back on this line a distance of about one mile.

Mr. George R. Collett and a realtor by the name of H. H. Halvorson, attempted to move this market to a more suitable location in the Central Industrial District and upstream from the mouth of the Kaw River about seven or eight blocks. Other efforts were made to locate the market along the Kansas City Terminal. At one time our people here studied the possibility of building a cold storage unit at our local freight station, 12th & Liberty, but the suggestion met with considerable resistance by local produce dealers and the Kansas City Cold Storage Company. I will therefore appreciate if you will treat this information as confidential as we do not want to be in position of suggesting the break-up of the existing facilities.

Reich & Sons, wholesale produce dealers, about one year ago moved from the city market to a location near the Central Industrial District and adjoining all of the railroad terminals. I am advised that it has proved very beneficial.

We are also in touch with a chain store concern that is figuring on constructing a produce terminal for its own stores, which would occupy about 40,000 square feet. We pointed out the advantages of the Public Levee to this concern, but are not privileged to mention their name at this stage.

I will appreciate if you will further handle this matter with your prospect. I could come to Cleveland if necessary, but it would be necessary for them to make a check-up on the local situation and view the site personally and it could be much better handled on the ground here.

G. E. Stanley.

CC—Mr. J. L. Haugh.
Mr. C. C. Weedin.

[fol. 11] (Copy)

Cleveland, Ohio, Dec. 19th, 1936.

Mr. G. E. Stanley, Exec. Ass't, % C. C. Weedin, Kansas City:

Referring to your letter of Dec. 9th, and 10th, regarding locations in Kansas City for a produce terminal, wish to advise Joe DeOrio and Wm. Fean, of Columbus, Ohio, are the parties who are going to promote, or at least endeavor to promote this food terminal in Kansas City.

For your information, wish to advise Mr. DeOrio promoted the Northern Ohio Food Terminal in Cleveland, and the Niagara Frontier Food Terminal in Buffalo, New York.

They will leave here about January 3rd, for Kansas City, and reach there the 5th or 6th and Mr. DeOrio will have a letter of introduction to you from me, and it is his intention to move to Kansas City, open an office, and start this promotion work. I hope you will do all you can for Mr. DeOrio as well as Mr. Fean in showing them over the property that is available for such a project.

W. H. Benham.

WHB:kmk.

CC—Mr. R. R. Mitchell, Omaha, Neb.

[fol. 12] (Copy)

Kansas City, Missouri, December 21, 1936.

Mr. W. H. Benham, Cleveland.

This will acknowledge and thank you for your letter of December 19th, advising that Mr. Joe DeOrio and Mr. Wm. Fean, of Columbus, Ohio, are the parties who are interested in promoting a food terminal at Kansas City.

You may assure your gentlemen that we will be ready to present definite suggestions to them when they reach here January 5th or 6th, and will take special pains to assist in every way possible. I believe we can secure what they want.

In the meantime, we will treat your information in the strictest of confidence.

I would very much appreciate if you would send me a sketch showing how the food terminal is layed out at Cleveland and what information you may have as to how it is operated, etc., as this will no doubt be helpful in presenting our proposition here.

(Signed) G. E. Stanley.

CC—Mr. J. L. Haugh
Mr. C. C. Weedin

[fol. 13] (Copy)

Omaha, December 23, 1936

Mr. G. E. Stanley:

Your letter December 21:

I hesitate just now to prepare a plan that would meet the requirements of the people from Cleveland for the development of a food terminal on the public levee, because they will undoubtedly have very definite plans of their own. If I know better what they had in mind, I would be able to work out something that would be satisfactory.

I believe it will be better to hold this in abeyance until they come, and you can gather from them what they want to do.

(Signed) J. L. Haugh

[fol. 14] (Copy)

Kansas City, Mo., December 23, 1936.

Mr. J. L. Haugh:

The Folger Coffee Company needs a new building at Kansas City. It must be a multi-story building and the present building of Safeway Stores at 2029 Wyandotte Street, Kansas City, Missouri, 100′ x 120′ and five stories high is entirely suitable and a representative of Folger

Coffee Company will be in Kansas City on January 3rd to look at the building.

Mr. Hollenbeck, General Manager of the Safeway Stores, Inc., at Kansas City, has informed me that if he can dispose of his building, he will then consider building a one story building on our rails, containing approximately 200,000 square feet for his wholesale grocery operation and produce terminal. Folger Coffee Company is represented by Mr. H. C. Edwards, Realtor. Mr. Edwards has also talked to Mr. Hollenbeck but has not disclosed the identity of his client.

I informed Mr. Hollenbeck that we would be in touch with some people about January 5th who were considering the construction of a large food terminal at Kansas City. He said that such a plan would interest him very much and wants to go into it fully just as soon as we are at liberty to talk to him.

While Folger Coffee Company would be a very desirable industry, I was advised by Ambrose Seitz that its traffic was divided on a basis of sales to railroads of its product and I know the company advertised the fact that it sells its product to a number of different railroads. I also feel that Safeway would be a much better industry than Folger.

If the Public Levee is suitable for the proposed food terminal or produce terminal, it would be a very simple matter to assist the people from Ohio in financing the terminal through P. W. A. and the City. For instance the City is authorized by law to make a 99 year lease. The leases which the City has already made on the Public Levee will liquidate the revenue bonds and pay the City a net profit of over $1,000,000 within thirty years. The revenue bonds as now authorized is a closed loan, but it could be refunded and a new loan negotiated, or the bankers for these terminal people could purchase the revenue bonds issued by the City and make the City eligible for P. W. A. grant. If the city owns the buildings they would be free from taxation. If Kansas City, Kansas could secure a large food or produce terminal, I am sure that they would give an over-riding lease on the whole levee and let the revenues under present leases apply on the new financing arrangement.

It is too premature to discuss details but if the Public Levee is suitable and these are good substantial people, I know it would be impossible for anyone to compete with [fol. 15] the financial arrangements that exist in favor of

the Public Levee. I would like to have your advice and suggestion on this deal, as I believe it would be a matter of utmost importance to the Union Pacific. I dislike the idea, however, of sharing anything with the Missouri Pacific and hope that railroad gets disgusted and refuses to enter into any joint arrangement east of Minnesota Avenue.

Mr. Benham's letter indicated that these people would arrive here on January 5th. If you view the matter of sufficient importance and in order that we get a good start with these people, I suggest that you ask Mr. Mitchell to arrange through Mr. Benham for a definite appointment with them at Kansas City and that both you and Mr. Mitchell arrange to be in Kansas City on the day that they arrive here.

(Signed) G. E. Stanley.

[fol. 16] (Copy)

December 26, 1936

Personal

Mr. W. H. Benham, Gen. Agt., Union Pacific Railroad, 1006 Terminal Tower Bldg., Cleveland, Ohio.

Dear Mr. Benham:

Since receipt of your letter of December 19th, advising that Mr. Joe DeOrio and Mr. William Fean of Columbus, Ohio, will be in Kansas City on January 5th or 6th, I have communicated with Mr. J. L. Haugh, Vice President of Omaha and he in turn has discussed the matter with Mr. Mitchell.

We are especially anxious to contact these people on their arrival at Kansas City and believe we have just what they want. We have negotiated with the Safeway Stores, Inc., which owns a large multi-story warehouse in Kansas City and is interested in a more suitable location for a combined unit or building to house its wholesale grocery operations, meats, produce and vegetables. Kroger Grocery & Baking Company is now located on our line and its present lease will expire in 1937, although it has an option to renew for five additional years. Kansas Service Grocers, wholesale unit for 102 retail grocers in Kansas City, Kansas, also is in need of new facilities. In other words, we have in prospect what you might term a nucleus for a successful food terminal.

If a definite appointment could be arranged with these people I am sure that both Mr. Haugh and Mr. Mitchell would meet them in Kansas City on their arrival here. I would therefore appreciate if you would contact them personally and secure their consent for a definite appointment on the morning of their arrival at Kansas City and we can then make definite suggestions to them about how we can serve their plans to advantage.

I would also appreciate if you would send me a sketch showing how the food terminal is layed out at Cleveland as promptly as possible. If you are unable to get any sketch or plan, please send me a general word description, giving approximate location in relation to the business section and the various types of business attracted to the terminal.

[fol. 17] It was splendid work on your part to call this important matter to our attention and your further assistance in getting a definite appointment with these people will be very much appreciated.

Please send copies of your reply to Mr. J. L. Haugh, Vice President, and Mr. R. R. Mitchell.

Very truly yours, (Signed) G. E. Stanley

CC—Mr. J. L. Haugh
Mr. R. R. Mitchell

[fol. 18] (Copy)

Union Pacific Railroad Company

Cleveland, Ohio, Jan. 4th, 1937.

Mr. J. L. Haugh, V. P., Union Pacific Railroad Co., Omaha, Nebr.

Dear Mr. Haugh:

Replying to your letter of Dec. 31st, regarding history and financial responsibility of Mr. Joe DeOrio and Mr. William Fean of Columbus, in connection with food terminal at Kansas City.

Wish to advise that Columbus is under the supervision of the General Agent at Cincinnati, and I would not be able to give you any history and financial responsibility in connection with Mr. Fean; however, I am told at the Northern Ohio Food Terminal here in Cleveland that he has been, for a number of years, and is still, in the prod-

uce business in Columbus, Ohio. He is rated in the Red book that came out January 1st, 1936, at $50,000.00.

With regard to Mr. DeOrio, I am unable to give you any definite information as to his financial responsibility, however, he seems to always have plenty of money. We first came in contact with him when we found him soliciting produce for the Baltimore and Ohio, and the Chicago & Alton railroads in connection with the Northern Ohio Food Terminal in Cleveland about three years ago, and in following up with the Assistant General Freight Agent of the B. & O. in Cleveland, in whose office Mr. DeOrio had a desk, we learned that he was not on the payroll, but he was doing this work for them without compensation, in anticipation of being given contract or contracts for commissary in connection with any work that might be done on the railroad.

On October 27th, 1934 he approached me in an effort to secure some commissary camps along our railroad where we might be doing construction work, and I wrote this up to Mr. Mitchell that day. It has been the subject of correspondence between Mr. Mitchell and myself, as well as Mr. Robinson and myself since that time.

[fol. 19] Mr. Mitchell was in Cleveland on Nov. 19th, 1934, and he had a talk with Mr. DeOrio and I arranged a meeting with Mr. F. W. Robinson, and Mr. DeOrio, at Chicago, where Mr. Robinson talked to him on March 21st, 1935. The subject of these talks was entirely concerned with the possibility of him securing some of the commissary work along our railroad, but we were never able to do anything for him, as we were under contract with the Gunn Supply Company for furnishing laborers and other work in connection with this work along our line.

While Mr. DeOrio kept constantly after me to get some of this work on our line, he succeeded through Mr. O. S. Lewis, G. F. T. M., of the Baltimore and Ohio Railroad, Baltimore, Maryland, in securing contract for commissary at Grafton, W. Va., for a dam that was being constructed for the Government at that point, and Mr. DeOrio went to considerable expense in constructing a large commissary there. It was anticipated about 3600 men would be employed and he was to feed and supply these men with their needs, but they ran into a lot of rainey weather, and the contractors were forced to hire a lot of W. P. A. workers, who only worked three days a week. The anticipated 3600 men were not employed, and it developed that his expendi-

ture for the buildings, etc., was not justified for that reason, as these men did not get enough money to spend, and I am told that he lost between $15,000 and $20,000 on this Grafton job.

Mr. DeOrio purchased property in Cleveland for the Nickel Plate Road, where they located the Northern Ohio Food Terminal, and he also bought the property at Buffalo for the Niagara Frontier Food Terminal. While I do not know what amount of money he did get for this, it was a very nice commission. His dealings were with Mr. Bernet, then President of the Chesapeake and Ohio RR, and the Nickel Plate Road. However, Mr. DeOrio indicated to me the commission they had agreed to pay him was not paid as per the agreement, and notwithstanding the fact that he made a settlement, which was agreeable, the settlement was not entirely satisfactory, and he immediately dropped the Nickel Plate, so far as any dealings were concerned.

When Mr. DeOrio came to me with the proposition of going to Kansas City and developing a produce terminal at that point he told me that he could build a food terminal in Kansas City for a million and a half dollars, similar to the food terminal in Cleveland, which cost approximately ten million. He indicated that he would float a bond issue [fol. 20] to cover this expense. His plan is to get the various produce dealers and brokers interested in going into this proposed food terminal on some rental basis, which will be determined later, and at the end of a period of perhaps ten or twenty years, this property would become the property of the tenants.

Mr. DeOrio is a high class Italian, and his people have every confidence in him. He said to me before leaving for Kansas City, that he could take care of the Italians, and Mr. Fean would take care of the Jews; and I am firmly of the opinion that he will be able to swing this deal as he has had experience in such markets.

I do not know just what kind of an arrangement he had with the Baltimore & Ohio other than what he told me; that he expected to make enough out of the commissary departments that he would handle for the B. & O. that it would compensate him for the work he was doing for them in soliciting traffic for the Northern Ohio Food Terminal in Cleveland; where he was quite successful in securing traffic, both for the B. & O. and the Alton, but apparently something happened in connection with some commissary that

turned up on the B. & O. that he did not get and he has entered suit against the B. & O. for $90,000.00 for services rendered.

Yours very truly,

(Signed) W. H. Benham, General Agent.

WHB:kmk

[fol. 21] (Copy)

Kansas City, Missouri, January 6, 1937.

Mr. J. L. Haugh:

Your letter of January 5th, attaching copy of report from Mr. Benham.

You are correct about Messrs. DeOrio and Fean, particularly the former, being resourceful and capable of organizing a large project. The situation here is ripe for these people, but we should as you have already observed, exercise extreme caution.

I spent one day with them. They appreciate the opportunity to develop a real layout on the Public Levee. The money can be obtained through the City, but before even introducing them to the City, I want to make sure it will lead to no complications or future embarrassment.

These people are registered at Hotel Muehlebach. Apparently no one but us know what they have in mind and I am just waiting to see their plan and obtain specific suggestions from them and we can then determine if we should do anything further.

(Signed) G. E. Stanley.

[fol. 22] (Copy)

Omaha, January 15, 1937.

Mr. Gray:

Mr. Joe DeOrio and Mr. William Fean are in Kansas City to promote and develop a perishable and food terminal. These two men are the promoters and developers of the perishable terminal at Cleveland, Ohio. Both have had long experience in the perishable business.

Mr. Stanley first contacted them and then Mr. Benham has been in touch with them, and at Kansas City they are in contact only with Mr. Stanley as to railroads. They are sounding out the perishable jobbers and dealers. I saw

them on Monday, January 11, in Kansas City, and they told me that the public levee which Mr. Stanley had shown them was the most ideal place they had seen for a food terminal, and that Kansas City was just ripe for such a proposition. They have seen the Mayor of Kansas City, Kansas, and he has given them encouragement towards city assistance in the financing of a terminal. They would use practically all of the city property that is not used by the grain elevator.

If it does develop, and it certainly looks encouraging, it will centralize all of the perishable business on this property, which will be served jointly by the Union Pacific and Missouri Pacific. They are not in contact with the Missouri Pacific, and we hope to be able to secure an agreement whereby the Union Pacific will do the switching.

We do not yet have an estimate of cost or an estimate of the traffic. The cost, however, will probably be in excess of $1,000,000. The traffic will be well up in the thousands of cars.

On Monday, I met Mr. Kirk on the Missouri Pacific and his attorneys in City Attorney Skinner's office, regarding the contract for trackage east of Minnesota Avenue. Much to my surprise, we came to an agreement, which includes Missouri Pacific consent to the crossing of their main freight lines. We made some minor changes in the trackage contract which you had signed. These changes were retyped, and the agreement sent to Mr. Cannon at St. Louis on Tuesday. Mr. Kirk said they would recommend it to the Court and expedite it. One of the attorneys said it would probably take thirty days for the Court to act.

(Signed) J. L. Haugh.

[fol. 23] (Copy)

Kansas City, Missouri, January 18, 1937.

Mr. J. L. Haugh:

Re: Messrs. DeOrio and Fean and their plans to establish a food terminal at Kansas City.

These people have been to see me several times. They remain steadfast in their belief that the Public Levee would be a splendid site. They confidently represent that they could congregate the produce, vegetable, fruit and general food business of this area, if facilities similar to Cleveland and other cities were provided on the city's property.

According to Mr. DeOrio, he purchased the ground required for the Cleveland terminal (34 acres), involving acquisitions from about 500 different people. The purchase price was about $7,000,000. He states that in addition to land the grading, sewers, streets, building and railroad tracks, at Cleveland, in the aggregate cost between five and six million dollars. The project was wholly financed by Nickel Plate through the Union Trust Company and it is claimed that the bonds and interest have been paid from the income of the facilities.

The Cleveland Food Terminal is located about two miles from the Union depot. Mr. DeOrio also stated that the Nickel Plate credited the terminal with much traffic production. He gave me no figures, but about 18,000 to 20,000 carloads of perishables are handled each year in addition to considerable volume by wholesale grocers, warehouses, etc.

Also, according to Mr. DeOrio, he and Mr. Fean together promoted the Niagara Frontier Food Terminal at Buffalo, located on the Erie Railroad. Mr. J. J. Bernet, who engaged Mr. DeOrio on commission basis, was formerly president of the Nickel Plate and then served as the head of the Erie and other Van Swerigen companies until his death. Prior to the establishment of this terminal, Mr. DeOrio stated the business was scattered along the New York Central. He said he first tried to work with the New York Central and took Erie as second choice as his association with the latter made it necessary to move the produce market about five miles. Mr. DeOrio said his efforts were resisted by New York Central, but claims he succeeded and that the food terminal has been very successful. Land purchases involved $2,000,000, in addition to some land owned by Erie and improvements cost about $5,500,000.

Mr. DeOrio is an Italian. Mr. Fean is a Jew. They admit that the Italians and Jews dominate the trade and I know Kansas City is not an exception.

Reports of the Department of Agriculture show carload [fol. 24] movements in and out of Kansas City, as follows:

	Arrivals	Unloads	Diversions
1929	38,801	12,040	26,757
1930	37,503	11,959	25,544
1931	38,800	11,996	26,793
1932	31,889	9,984	21,876

	Arrivals	Unloads	Diversions
1933	31,440	10,652	20,726
1934	36,168	13,067	23,161
1935	33,710	12,553	21,047

The Public Levee, being city owned would be tax free, together with any improvements erected by the city. Inasmuch as it is common for municipalities to own and build market houses, squares and establishments, I have, since discussing the matter with you at Kansas City, directed all my efforts in working out the improvement with the city officials, assuming they could issue revenue bonds and sell same to P. W. A. to finance necessary improvements. I have re-examined the Public Levee revenue bond act which I prepared in 1933 and under which the grain terminal was financed. However, I find it is not broad enough to cover food terminals, city markets, etc. I attach typewritten copy of the existing statute, which has twice been upheld by the Supreme Court of Kansas. Also attached, is suggested amendments, which could be acted upon at the present session of the legislature and if enacted, would enable the city to apply for necessary funds. P. W. A. has unexpended balance of $200,000,000 according to recent press reports.

Mr. DeOrio advised me that $1,500,000 properly spent on the Public Levee, (city to build streets, sewers, etc.) would provide facilities equal to the Cleveland layout (exclusive of cold storage). He roughly estimated that four produce terminals, each approximately 485'x112' and divided into 24 units (two buildings would be one story and basement and two would be two stories and basement) would cost about $1,000,000. Estimated cost of auction building $150,000 and inspection and team tracks $200,000. The balance of his estimate or $150,000 was not itemized. These people also state they have people who would build cold storage facilities at proper time. They have also mentioned past relationship with General Foods and frozen fruit and vegetable plans of this organization but I have not developed full information on cold storage angle.

These people say units in two story and basement building (occupying 112'x20' or 2240 square feet of ground space) would lease for $175 per month. One story and basement occupying same amount of ground, $125 per month. In other words, maximum rental income on 96 terminal units

would be $14,400 per month or $172,000 per annum. The auction house is rated to produce $20,000 per year in rent. Each lessee of a terminal unit would pay ground rental direct to city (3.6 cents per square foot per annum or much less than normal taxation on land of comparable value).

[fol. 25] The original loan and grant for grain terminal aggregated $1,456,000 (application now pending for additional $91,000), was based on assured income of $80,000 per annum, so you will note that above would be relatively more security for loan.

Mayor McCombs and Mr. Skinner would both cooperate. Senator J. S. McDonald, who introduced present law to the legislature, would no doubt be willing to help pass the proposed amendments. The other three legislators (2 Democrats and 1 Republican) would also cooperate, but it would also require some local pushing. Willard Breidenthal left last night for Washington to attend the inaugural. He was accompanied by Governor Huxman and a large group of Kansas Democrats. I conferred with Mr. Breidenthal before he left for Washington and promised to send him copy of proposed amendments, which will be mailed tomorrow. He will talk to officials of Finance Section, P. W. A. and Governor Huxman. Willard is strong for the plan and can assist more than any one that I know.

The city could lay out and improve streets and sewers to accommodate plan of development. Minnesota Avenue (now improved to width of 30′) should be widened full width of 80′ and new viaduct should be 60′ wide, plus sidewalks on both sides.

Messrs. DeOrio and Fean also advised that Union Pacific is only railroad that has knowledge of their plans at Kansas City. They have been here two weeks and Mr. DeOrio plans on making Kansas City his home.

Mr. Fean said they would put $40,000 to $50,000 back of their plans. They wanted me to recommend counsel and I sent them to E. S. McAnany, a high class lawyer in Kansas City, Kansas. He will incorporate a company for them under the laws of Kansas at proper time. These people have personally contacted Mayor McCombs and Mr. Skinner. They are patient about details and appreciate that a government loan to the city and lease running to them for improved facilities, would hold down carrying charges and be

more attractive terms than could be expected from private sources.

I will appreciate your further advice and suggestions.

(Signed) G. E. Stanley.

[fol. 26] (Copy)

(Penciled Note)

J. L. H.

Will send copy of present law and proposed amendments tomorrow as I did not get the new bill finished today as expected.

Extra copy of letter is for Mr. Mitchell, if you think advisable to give to him at this stage. I will need a lot of help on this deal if we go after P. W. A. loan.

(Signed) G. E. S. 1/18.

[fol. 27] (Copy)

Kansas City, Mo., January 19, 1937.

Mr. J. L. Haugh:

Attached you will find copy of Sections 13-1238 to 13-1245, Revised Statutes of Kansas, 1933, or public levee revenue bond act as it now exists. Also, proposed bill for introduction at present session of Kansas legislature.

In substance, it is proposed to broaden present law to include (1) food terminals, market houses, squares or places for the exhibition, handling, processing, sale and distribution of the products of agriculture (2) sale of revenue bonds to any bank, person, firm or corporation, in addition to federal government, and (3) to authorize refunding of outstanding revenue bonds.

Copy of proposed bill has been furnished to each of following: Willard J. Breidenthal, A. H. Skinner and E. S. McAnany, the latter being attorney for Messrs. DeOrio and Fean.

(Signed) G. E. Stanley.

[fol. 28] (Copy)

Omaha, January 21, 1937.

Mr. G. E. Stanley:

I am pleased to have your letter of Jan. 18 about the food terminal.

I know that there is a lot of work connected with this, yet

it will be a very substantial revenue traffic producer, and I think that we are warranted in giving it our full support.

The Missouri Pacific will be joint users of this track. As stated to you before, I think it would be a bad move for us to endeavor to do anything that would keep the Missouri Pacific out of this property east of Minnesota Avenue, unless we are forced to do so by some adverse action of their own. It may be that the operators of the perishable terminal will want to have one line responsible for the switching. In such event, we will be glad to handle it for them.

Will talk with you further about this when I see you Monday.

(Signed) J. L. Haugh.

cc—Mr. R. R. Mitchell.

With coopy of Mr. Stanley's letter referred to.

[fol. 29] (Copy)

Kansas City, Mo., February 11, 1937.

Mr. J. L. Haugh:

Attached you will find printed House Bill No. 255, introduced by all three members of the Legislature of Wyandotte County, being an act authorizing the City to further improve the public levee.

The present law authorizes the sale of revenue bonds to the federal government but the bill introduced contemplates that the bonds may be sold to anyone.

Mr. F. J. Edmonston, a representative of John J. Seerley & Company of Chicago, recently called at the office. I have had business relations with Mr. Edmonston and know that he is well qualified to pass on financial issues. He said that his firm was interested in revenue bond issues and would prefer to buy from cities than from anyone else. He also stated that the bonds would sell on the market at about a 3.50 basis.

The City could still get a 30 per cent grant from the government and it would be immaterial as to whether or not these bonds were sold to P. W. A. or some private banker.

If the attached bill is passed and made a law, I believe it will be possible to finance the plans of Mr. DeOrio and Mr. Fean.

(Signed) G. E. Stanley.

[fol. 30] (Copy)

Kansas City, Mo., February 15, 1937.

Mr. J. L. Haugh:

Attached hereto is an editorial appearing in the Kansas City Times (Star) this morning, regarding public levee development in Kansas City, Kansas.

I am mailing you under separate cover prints prepared by Horner & Wyatt, together with their preliminary estimate of cost and also prints prepared by Gentry, Voskamp & Neville, Architects of Kansas City, Missouri.

Mr. Horner was a little reluctant about working with Mr. DeOrio and Mr. Fean because his office is crammed full with other business so they decided to go to the Gentry office also. It may be somewhat embarrasing but the whole matter was handled by them and we cannot be held to account for it.

You will note that the Gentry firm has been more painstaking in their efforts and prepared a very nice perspective, which is helpful in a matter of this character.

My immediate concern on the matter is the passage of the amendment of the present revenue law. It is being contested by Messrs. Robertson and Boddington and will require some careful attention at Topeka. I will appreciate if you will notify Mr. Brophy to take a friendly interest in House Bill 225 and Senate Bill 239, and advise him confidentially that if those bills are enacted we might get a large food terminal on the public levee. It would also be advisable to inform him that the immediate plan is confidential because I am sure if the magnitude of the interprise was understood it would develop some opposition in Kansas City, Missouri at this time.

Mr. Gentry, who was the architect on the new Municipal Auditorium and also participated in a great amount of work for Missouri eleemosynary institutions, advised me that he was of the opinion that this food terminal was very badly needed in Kansas City and the location on the public levee could not be excelled. He also stated that he thought Judge McElroy might welcome the idea because Kansas City, Missouri does not have a suitable site and the present market is illfitted for railroad service and is not a proper location. Mr. Gentry expressed the idea that Kansas City, Missouri should develop the retail market and Kansas City, Kansas should have the wholesale market and the relative

location of the two would convenience each layout. No steps have been taken to feel Kansas City, Missouri out on the matter but if the legislation is passed, I believe it would then be in order to develop a cooperative plan between the two cities.

[fol. 31] If Messrs. DeOrio and Fean are able to congregate this business on the public levee and the same could be financed with 4 per cent revenue bonds and government grant, it would, in my judgment, make one of the most profitable interprises that could be established here.

Messrs. DeOrio and Fean left Kansas City yesterday for an eastern trip and promised to bring back a set of rules governing fruit and vegetable exchanges in well governed markets in the East and forms of agreements that were entered into. I would not wish to get mixed up in this deal unless it has a good chance to succeed and to date the matter has been handled in a very confidential manner. Apparently no one connected with the trade at Kansas City has the slightest suspicion of the proposed plan.

Mr. F. J. Edmonston, representative of John J. Seerley & Company, called on me again and renewed his suggestion that his firm be permitted an opportunity to purchase the revenue bonds. However, it would be entirely too premature to negotiate with financiers and inasmuch as there is no immediate prospect of higher interest rates, I believe it would be advisable to defer such negotiations until the project is in a more ripened stage.

(Signed) G. E. Stanley.

(Pencil note: Estimate made by Mr. Gentry will follow.)

[fol. 32] (Copy)

Kansas City, Mo., February 22, 1937.

Mr. J. L. Haugh:

Yesterday (Sunday) I prepared the third amendment refunding revenue bond bill pending in the Kansas Legislature. The amended bills prepared for both the Senate and House will be substituted for the bills now in the committee.

The central office of P. W. A. wanted the bills amended so that they could elect to exchange their present bonds and take bonds in the same amount in a large issue. In other words they want to hold the bonds because they think there

is going to be a better market for the same and feel that 4 per cent is an attractive rate of interest.

If entirely convenient to your plans and provided you would like to do so, I suggest that we leave here Wednesday morning by train and spend a few hours in Topeka and then return to Kansas City sometime Wednesday afternoon. I would like to check into the situation pertaining to these bills but if you would prefer not to go to Topeka, I can take care of the matter later in the week.

Please wire me what your wishes are.

(Signed) G. E. Stanley.

(Pencil note: Went to Topeka Wed. Feb. 24 J.L.H. 2/26.)

[fol. 33] (Copy)

Kansas City, Mo., March 3, 1937.

Mr. J. L. Haugh:

Mr. Skinner advised me today that he received contracts from the Missouri Pacific and is transmitting our copy direct to you.

Nicholson Construction Company is now busy raising the head house to its full height and is also setting forms for the second storage section. Dredging will start again in a few days and is scheduled to be completed by May 15th. It is doubtful if the machinery will be installed at the beginning of the crop movement but it looks like the lessee can count on occupancy of the elevator about July 1st.

Piling has been shipped for the railroad trestle and track material except ties has been purchased from us for the City's portion of the service tracks. Mr. Higgins is getting up details on our work and I will soon transmit the same to you, together with a request that we put in our connections which is now made possible by the Missouri Pacific agreement.

I am leaving for Topeka tonight where I will work with Willard Breidenthal tomorrow morning and will also check on revenue bond measure and the bills authorizing the city to pave additional streets on the public levee and put in a sewerage system.

Messrs. DeOrio and Fean have returned to Kansas City. They submitted me the attached list of prospects for the new feed terminal at Kansas City. They are very earnest about their plans but I have counselled them not to take any steps

until we know for sure that the revenue measure will become a law.

(Signed) G. E. Stanley.

[fol. 34] (Copy)

Kansas City, Missouri, March 5, 1937.

Mr. J. L. Haugh:

Revenue refunding bill, applicable to the public levee, is apparently being well handled. It was reported out of the House committee and is on general orders on the House Calendar. The Senate bill has not been reported out of the committee but Senator McDonald assures that he will have no difficulty in securing a favorable report for passage.

In case you advise Mr. Brophy about this bill, it would be well to tell him that the original House Bill No. 255 was killed and a new measure introduced to meet the requirements of P. W. A. The new bill on House calendar is designated as No. 493. The measure in the Senate is No. 239. I did not see Mr. Brophy while I was in Topeka yesterday.

Messrs. DeOrio and Fean remain in Kansas City and clearly understand that there is no prospect of doing anything unless these bills pass. I advised them to keep away from Topeka.

(Signed) G. E. Stanley.

[fol. 35] (Copy)

Kansas City, Missouri, March 8, 1937.

Personal

Mr. C. P. Cahill:

The attached plat and perspective show plan of proposed food terminal on public levee, to be served by Union Pacific. You will also note location of elevator tracks, for which construction contract has been let by the City.

Regret that I will be unable to see Mr. Ashby and Mr. Williams here tomorrow, but must be in Topeka. If I am wanted for anything you may reach me by calling Room 824, Hotel Jayhawk.

(Signed) G. E. Stanley.

BCC—Mr. J. L. Haugh.

[fol. 36] (Copy)

Kansas City, Missouri, March 15th, 1937. A-2402-1501-1.

Mr. R. R. Mitchell,
Omaha:

Further with reference to the proposed fruit terminal on the public levee, Kansas City, Kansas:

I am attaching two sets of memoranda compiled in this office showing:

Exhibit #1.

Total cars arrived, unloaded and diverted during 1936 via all Kansas City lines.

Exhibit #2.

Statement showing origina- by states. (On back of Exhibit #1.)

Exhibit #3.

Statement arrivals, unloads and diversions from western territory.

Exhibit #4.

Statement of arrivals via Union Pacific and diversions by months.

Exhibit #5.

Statement showing cars unloaded.

Exhibit #6.

Statement showing total cars unloaded, seggregated by western origin states.

Exhibit #7.

Cars received from connecting lines and diverted from tracks at Kansas City for outbound UP movements.

We are also compiling statement which is not yet completed in detail, which shows cars received and unloaded by commodities, and estimated figures showing cars received via Union Pacific and later diverted; also total cars perishables delivered to connecting lines at Kansas City during the year.

Summarizing, we are estimating that this facility, if developed as now planned, will result in the additional traffic and annual revenue indicated below:

[fol. 37]	Additional Cars	Annual Revenue
Unloads—K. C.	370 cars @ $120.00	$ 44,400
Diversions	650 " @ $100.00	65,000
Additional thru cars routed Via Up incidental new market	500 " @ $100.00	50,000
West & North bound traffic received from connecting lines	200 " @ $100.00	20,000
Other lines' cars set over to UP and later diverted	1000 " @ $ 12.80	12,800
Other Lines' unloads 25% switched to UP	2500 " @ $ 6.40	16,000
		$208,200

This figure of $208,200 per year naturally is based on such information as is available, and it should be borne in mind that we have not considered it desirable to discuss the proposal with any of our local produce men for obvious reasons.

We have been given to understand that if the facility is developed, as it now looks like it can be, most all of our brokers and produce dealers will move to that location, the retail market to continue in the fruit row district. We are very optimistic about this, and really believe it is a worth while proposal. However, a great deal remains to be done, and we realize it is something that should receive a lot of consideration on the part of our people.

Am given to understand the Kansas law will be modified at an early date, permitting the issuance of additional revenue bonds. Messrs. DeOrio and Fean have been making a study of conditions for the last two or three months and are still very optimistic.

The detailed statement mentioned above will be furnished you at an early date.

(Signed) C. C. Weedin.

CC—Mr. G. E. Stanley.

[fol. 38] (Copy)

Omaha, April 1, 1937.

Mr. J. M. Souby

Mr. F. W. Robinson

In connection with construction of proposed food terminal on the southerly portion of the public levee at Kansas City, Kansas, it will be necessary to build a team yard on the public levee east of Minnesota Avenue and north of Jersey Creek.

Will Mr. Souby kindly advise, in view of the Stanley-Kirk agreement and in view of the contract between the Missouri Pacific, Union Pacific and City of Kansas City, Kansas, if such a team yard can be built and operated exclusively by the Union Pacific, without admitting the Missouri Pacific to joint use? The main lead serving the property east of the public levee will be extended northerly across Jersey Creek and entirely across the public levee land onto private land north of the public levee. The proposed team yard will lead off this from the north—a part of it leading from the tracks north of the public levee, and a part of it leading from the tracks on the public levee.

Will Mr Robinson please advise what tariff provisions will be necessary to handle in the event this team yard is exclusively Union Pacific, and alternately in the event it is joint Union Pacific-Missouri Pacific?

(Signed) J. L. Haugh.

[fol. 39] (Copy)

Kansas City, Mo., April 5, 1937.

Mr. J. L. Haugh:

Mr. Lee Metcalfe is associated with T. J. Pendergast in building the spillway at Ft. Peck. The company is known as the Spillway Builders, Inc., and is owned equally by five partners including Metcalfe, Pendergast, Kansas City Bridge Company, Massman Construction Company and one other. Mr. Metcalfe talked to Pendergast people about pending plans for a large food terminal and was promised that they would advise him about it. He now reports that their attitude is entirely friendly.

Alonzo H. Gentry, Arcbitect, also told me that he intended to discuss the matter with Judge McElroy, City

Manager, but has not reported anything so far. Mr. Gentry told me that he knew Kansas City, Missouri could not expend to exceed $500,000 and that they recognized that they could not get very far with that amount of money.

In the meantime I find that there is a little information leaking out about the plans of Messrs. DeOrio and Fean. Our P.F.E. agent, Mr. E. B. Fryer, came to the office today and told me that there was a rumor to the effect that the Union Pacific would build a terminal in Fairfax. I advised him that some eastern people had discussed the possibility of erecting a food terminal on the public levee and showed him the plats prepared by these people. Mr. Fryer stated that the location was, in his judgment, a good one and that there was a splendid opportunity for such a development here.

I also told Mr. Fryer that he could advise anyone that the Union Pacific was not interested in financing a food terminal but on the other hand would not fight one being developed on its own line.

Mr. John J. Seerley, an investment banker from Chicago is in Kansas City today. He is interested in buying the revenue bonds and before he leaves the city he will probably talk to me about the possibility of buying.

Mayor McCombs and Mr. Skinner are displaying considerable interest in the project proposed. Mr. Skinner thinks it would be possible to work out a W.P.A. project and entirely enclose Jersey Creek east of Minnesota Avenue, in which case it might admit of a plan whereby team tracks could be run in north and south direction. The southeast corner of the Phillips property is undeveloped and in case it is found advisable, I believe that they would be interested in disposing of a portion of their ground at a reasonable figure because of their extensive ownership to the north.

[fol. 40] I will appreciate if you will send me a copy of your plan as soon as it is finished.

(Signed) G. E. Stanley.

[fol. 41] (Copy)

Kansas City, Mo., April 6, 1937.

Mr. J. L. Haugh:

I talked with Mr. John J. Seerley of John J. Seerley & Company, Investment Bankers of Chicago, at Kansas City

today about proposed revenue bonds on public levee, Kansas City, Kansas

Mr. Seerley said that the suggestion held his interest and he is arranging for a municipal man to go into the matter fully on the ground and we will soon know whether or not this company and an associated group in Chicago will be interested in acquiring the revenue bonds.

(Signed) G. E. Stanley.

[fol. 42] Union Pacific Railroad Company

Telegram
Rush

Omaha, Apr. 17, 1937

G. E. Stanley, KC

Am planning to make trip to Chicago, Detroit, Cleveland and Buffalo, leaving here Tuesday night, Apr. 27.

Am writing Mr. Armstrong of PFE to go with us and have Mr. Fryer along. Mr. Mitchell will go also. Would like to have Mr. Cahill go if he can get away. I will ask Mr. Williams about that.

Will appreciate your planning to go at that time arranging with Mr. DeOrio.

We will assemble Wednesday morning, Apr. 28 in Chicago and look over Chicago terminal that day.

J-98

(Sgnd.) J. L. Haugh

[fol. 43] April 17, 1937

Personal

Mr. J. T. H. Armstrong, Asst. General Manager Pacific Fruit Express Co., Chicago

Dear Mr. Armstrong:

A project is being considered for the construction of a wholesale perishable market terminal at Kansas City, with fair prospects of it being located on the Union Pacific.

In order that we may have first-hand information, we are contemplating making up a party to visit similar terminals at Chicago, Detroit, Cleveland, and possibly Buffalo, leaving Chicago probably Wednesday, April 28. In the party will be Mr. G. E. Stanley, Executive Assistant at Kansas City; Mr. C. P. Cahill, Superintendent, Kansas City; Mr. R. R. Mitchell, Freight Traffic Manager, Omaha; and my-

self. We would like to have Mr. E. B. Fryer accompany us, and will be glad to have you go if you can arrange it.

Yours very truly,
(Signed) J. L. Haugh

cc—Mr. G. E. Stanley

[fol. 44]

Omaha, April 27, 1937

Mr. J. M. Souby:

Your letter April 5, regarding possible Missouri Pacific participation in team yard to be build and operated on public levee property, north of Jersey Creek, at Kansas City, Kansas:

The following two facts have now developed.

(1) The City will request the Union Pacific to build the yard and operate it.

(2) The team yard will have no connection with the Drill Tracks covered by the contract with the Missouri Pacific. The lead to the team yard will come from the north. The turnouts to the team yard will leave this main lead north of the north line of the public levee, so that it will be impossible to provide service from an extension northerly of the Drill Tracks specified in the contract.

In view of these two additional facts, will you kindly let me have your further opinion on whether we are bound by any contract to seek Missouri Pacific participation?

(Signed) J. L. Haugh

cc—Mr. F. W. Robinson

[fol. 45]

(Copy)

Omaha, May 3, 1937.

Mr. Gray:

I returned this morning from eastern trip, visiting the wholesale perishable market terminals at Chicago, Detroit, Cleveland and Buffalo. In the party were:

From Omaha:

Mr. J. E. Davis, Assistant to Vice President—Traffic

From Kansas City:

Mr. G. E. Stanley, Executive Assistant
Mr. C. P. Cahill, Superintendent
Mr. E. B. Fryer, General Agent, PFE
Mr. Don C. McCombs, Mayor, Kansas City, Kansas

Mr. A. H. Skinner, City Attorney, Kansas City, Kans.
Mr. Willard Breidenthall, President, Riverview State Bank, Kansas City, Kansas
Mr. Joe DeOrio, perishable dealer, Cleveland, Ohio
Mr. William Fean, perishable dealer, Columbus, Ohio

From Chicago:

Mr. J. T. H. Armstrong, Asst. G. M., P.F.E.

At each place our traffic representative assigned to that territory accompanied us, as well as the District Agent of the PFE. Mr. Feakins was with us at Chicago; Mr. Malcolm at Detroit; Mr. Benham at Cleveland and Buffalo.

Attached is a map and picture of each of the terminals except Buffalo.

The Chicago Produce Terminal is owned jointly by the Illinois Central and Santa Fe. It is wholly a railroad facility, excepting the auction house, which is used by the jobbers. Approximately 60,000 cars a year are handled at this terminal.

Mr. R. W. Swartz advised that the provisions of the terminal had increased the perishable business at Chicago by reason of providing a needed facility for the jobbers, who theretofore were required to inspect and accept shipments at the team tracks in six or eight different yards, making it almost impossible for them to get around within the morning hours when the business arrived. He said that as soon as the facility was created and the opportunity was available for the jobbers to concentrate their consignments in the one yard, they rapidly came to it. The terminal is open to all lines on a tariff switching charge, which is absorbed by the road haul line. This terminal is a mile and a quarter from the large South Water market. While the North Western and Burlington have team tracks near the South Water market, yet those team tracks are little used because of the greater convenience on the part of jobbers concentrating their shipments in one location. The Chicago Produce Terminal is the official potato yard for Chicago from April 26 [fol. 46] to September 15. The North Western has a potato yard at Wood Street in Chicago, plan of which is also attached. This is the official potato yard from September 15 to April 26. This potato yard is about the same distance from the South Water market as the Chicago Produce Terminal. The switching charge made by the Chicago Produce

Terminal is $12 per car, with an extra $3 for cars placed at the auction house.

The Detroit Union Produce Terminal was built in 1929 by the Pennsylvania, Pere Marquette and Wabash Railroads. Prior to that time, most of the produce business was handled by the Michigan Central on its team tracks, with meager facilities for jobbers. The Michigan Central was asked by the Jobbers to improve their facilities. This was denied, and as a consequence the three railroads above named bought the property and built the Detroit Union Produce Terminal at a cost of approximately $6,000,000, thereby moving practically all of the produce business to this new location, and in addition to that secured for the owners a very substantial portion of the traffic that the Michigan Central formerly enjoyed into Detroit. Similar to Chicago, the jobbers moved to this facility because here they could concentrate all their shipments and handle them with much greater convenience that formerly when they were handled by the five railroads separately (including the Grand Trunk). The Detroit terminal handles approximately 20,000 cars a year, of which about 2,000 are diverted and 18,000 unloaded.

The Northern Ohio Food Terminal was built at Cleveland by the Nickel Plate, at a cost of approximately $10,000,000 for land and buildings. It handles approximately 26,000 cars a year, of which about 20,000 are unloaded. The New York Central had developed the business with the jobbers located on their tracks, and because of an unwillingness to expand the facilities on request of the jobbers, the Nickel Plate secured the jobbers' cooperation and built the new terminal, to which the jobbers moved. After this terminal was under way, the New York Central attempted to retain the business by spending more than $1,000,000 in improving facilities of its team tracks, but was unable to stem the tide. New York Central business is now handled into the Nickel Plate's Terminal. There was a very substantial loss to the New York Central by reason of the moving of this terminal and a corresponding gain to the Nickel Plate. Perishable business in Cleveland has increased since the terminal was built by reason of the greater facility to the jobbers. The jobbers are thoroughly satisfied with it. Wholesale grocery stores are now locating around its perimeter; two having recently been constructed and another is just starting.

The Buffalo terminal is similar in design to the Cleveland Terminal. It was built jointly by the Erie and Nickel Plate, beginning in 1930 and completed in 1931. The Buffalo terminal is more commodious than the Cleveland terminal, although it does not handle as many cars. About 14,000 cars are unloaded at Buffalo and about 2,500 are diverted. Buffalo is about the same size as the Kansas City area in population and in number of cars of perishables unloaded. Kansas City is heavier, however, in cars diverted. The Buffalo terminal cost about $7,000,000. After the terminal was under way, the New York Central en- [fol. 47] deavored to hold the jobbers the same as at Cleveland and spent about $3,000,000 on facilities, but were unable to accomplish the result, and now handle their business into the Nickel Plate's terminal on a switching absorption of $12 per car. Prior to the building of this terminal, the New York Central had about 85% of the perishable business into Buffalo. Now it is said to have about 50%.

All these terminals illustrate a very substantial traffic advantage to the line on whose rails they are located. They also illustrate that when satisfactory arrangements have been made with the jobbers the facilities are a primary necessity for concentrating the business. We are continuing to develop plans, estimates and car handling figures for the Kansas City terminal and will have more to report later.

The idea of a perishable terminal at Kansas City is not new. It has been talked about for several years, as the jobbers are in such a poor location and so crowded that they need a facility. A few years ago a plan was developed by the Missouri Pacific on the Woodsweather tract. Another plan was developed by a real estate firm for locating a terminal on the site of the old Morris Packing Plant, which would be served by several lines. On account of the depression, however, none of these plans were carried through, excepting that the Missouri Pacific built trackage on the Woodsweather tract, but that has not been substantially used. If a terminal were to be built on another line there, Union Pacific would stand to lose some of its present business. If it is built on the Union Pacific it will gain. We will develop an estimate as to the amount.

(Signed) J. L. Haugh

cc—Mr. W. M. Jeffers.

[fol. 48] (Copy)

Omaha, May 4, 1937.

Mr. G. E. Stanley:

As a matter of information, am attaching copy of my letter to Mr. Souby together with copy of his reply regarding the question of an exclusive team yard north of Jersey Creek on the public levee.

Mr. Souby's opinion is that "There is nothing in the contract which specifically or by necessary inference would give the Missouri Pacific any right with respect to such tracks."

(Signed) J. L. Haugn.

[fol. 49] (Copy)

BROOKHART FRUIT CO.

Receivers-Distributors Cleveland, Ohio

Fruits and Vegetables

(Card pasted on letter)

D. F. Brookhart
President

Memo for file:

Mr. D. F. Brookhart was president of the Cleveland Jobbers' Association at the time the Cleveland Terminal was being initiated. He said that the Jobbers' Association had been endeavoring to get better facilities from the New York Central, but without success; that Mr. Joe DeOrio, who was working for Mr. Bernet of the Nickel Plate, came to him about a prospective site on the Nickel Plate. He went with DeOrio to look the proposition over. It looked so favorable that he put it up to the directors of the association, who also were favorable, and then they had a meeting with Mr. Bernet of the Nickel Plate. This set matters in motion. Mr. Bernet was agreeable, and authorized Mr. DeOrio to purchase the property. Mr. Brookhart gave Mr. DeOrio a very good recommendation.

J. L. H. 5/5/37.

[fol. 50] (Copy)

(Pencil Notations)

Kansas City, Mo.

Mr. Gray
JS #5/7

May 5, 1937.

Mr. J. L. Haugh:

Monday forenoon following our return to Kansas City, Mr. Breidenthal set up a meeting at the Kansas City Club and had present Mayor McCombs, Commissioners Darby and Schaible, Messrs. Skinner, Fean, DeOrio, Metcalfe* and myself. Mayor McCombs explained why he had been out of the city and gave the other commissioners the first information possessed by them about pending plans on food terminal on the Public Levee.

The meeting was very agreeable and Mr. Darby and Mr. Schaible expressed themselves very favorably. They agreed to employ Alonzo H. Gentry** and Walter F. Schulz*** Outfit.
as architects on a contingent basis. They also agreed that the Mayor would direct a letter to P. W. A. and apply for both loan and grant. Messrs. Darby and Schaible implied that they would like to see the food terminals themselves and an offer was made to take them at time that was agreeable. Mayor McCombs said he would like to accompany them and they tentatively arranged to leave here tomorrow and be at Cleveland Friday and Buffalo Saturday, returning home Sunday night.

The following morning, Tuesday, Mr. Darby called on Mayor McCombs and advised that he had been thinking the matter over and doubted if the city should jump into such a program without further studying the situation. The changed attitude of Mr. Darby was not particularly surprising because he has been known to be obstinate about other matters.

According to plans now, Mayor McCombs and Commis-

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* See son former mayor of Omaha, Contractor with Prendergast Outfit.

** Very capable K. C. Architect friendly to Prendergast

*** Consulting Engineer for Gen Washburn and friendly to Washington Administration.

sioner Schaible, a majority of the Commission, will leave here tomorrow. Mr. Fean, Alonzo H. Gentry and one of his associates, Mr. Voskamp, and Lee Metcalfe will also leave here tomorrow for Cleveland. They intend to look over the last two terminals inspected by us.

Regarding Mr. Fean and Mr. DeOrio, Mayor McCombs and Mr. Breidenthal have both expressed themselves favorably about these men. They recognized that it was necessary for some one who is acquainted with the Italian and Jewish races to handle a deal of this character and it is my personal opinion that they are as good as can be obtained for that purpose.

It was also agreed at the meeting that every effort should be made to treat the information confidentially and so far as I know there is no information leaking out to the trade at Kansas City. The important test after all will be how the commission merchants here will receive the suggestion and that will largely depend on how it will be handled and managed.

Mr. Gentry understand- that you are going to make a ground layout and track plan and he will promptly prepare [fol. 51] some revised estimates. I am working with Mr. Skinner on the preparation of a preliminary application to P. W. A. but this will not be dispatched to Washington until after Mayor McCombs returns to Kansas City. Judging from what Mr. Gentry said, also information obtained from Mr. Metcalfe, I am greatly encouraged about the possibility of uniting the business and political interests of the two Kansas Cities on this project which would result in a general agreement that a modern food terminal would be an important facility and should be obtained for Kansas City.

The whole project is in the study and investigation stage and no commitments of any character will be made until we have an opportunity to further consult with you.

(Signed) G. E. Stanley.

(Pencil notation: It will be necessary to move the jobbers from K. C. *Missouri*. It will make matters much easier of we have the concurrence of the administration of K. C. Missouri which is commonly referred to as the "Prendergast outfit.")

J. L. H.

[fol. 52] (Copy)

Kansas City, Mo.,
May 31, 1937.

Mr. J. L. Haugh:

This is intended as a report to show what has transpired relative to proposed food terminal since our eastern trip.

I previously advised you about conference with Phillips Petroleum officials. Since that report Mr. Mitchell called me for a meeting at his office with Phillips refinery committee. They made objection to the proposed east and west operating track and claimed that the area shown by green color would effect three of their water wells. While they would consent to a track on or near the levee, they insisted on a loop or ball-on track considerably north of their present tanks. I suggested that they confer with Mr. Higgins so that he could develop a plan that would not be objectionable to them. Mr. Higgins has since developed two or three new ideas, but I have not submitted the same to Phillips and will not do so until you have had an opportunity to look over and approve the suggestions.

Mr. Alonzo H. Gentry, Architect, who as you know is very close to the Kansas City Missouri City Administration, conferred with Judge H. F. McElroy, City Manager, about need of a good wholesale food terminal at Kansas City. On Mr. Gentry's advise and suggestion, W. J. Breidenthal, Lee Metcalfe and I called on Judge McElroy, who advised that the so called city market of Kansas City, Missouri was on the decline. He frankly admitted that the present location was not suitable; that sufficient room and proper rail connections were lacking and further said that the trade was very insistent that something be done. Judge McElroy said that as a matter of self defense, he asked them to organize their own committee of merchants and to share the responsibility with him. He confirmed the fact that he had one half million dollars to spend and so far as he could see, that all that could be done was to tear down old buildings, concrete space for parking and build sheds to keep the rain off.

We explained to Judge McElroy that a plan had been studied and told him about our eastern trip. We asked about his attitude of establishing a facility on the Public Levee suggesting at the same time that Kansas City, Missouri should provide a retail market and the one on the

Kansas side, if built, should be 100 per cent wholesale. Judge McElroy said that he would prefer to see the facility in Kansas City, Missouri but would not lay a straw in the way of the development on the Kansas side. He expressed appreciation of our call on him and said that was the right way to approach matters of this kind.

Judge McElroy suggested that he lay the suggestion before his committee of merchants and promised to call Mr. Breidenthal into the meeting with them early this week. [fol. 53] After our conference with Judge McElroy, we went to the office of the United States Cold Storage Company and attempted to see Mr. E. M. Dodds, President. Mr. Dodds was not in the city and in his absence we talked to Arthur Hardgrave, who formerly handled icing utilities for the Insull people in the southwest. Mr. Hardgrave is quite *conservant* with the produce industry and initiated a market project at Ft. Worth, Texas which he stated was now paying better than 20 per cent. Mr. Hardgrave is known in Kansas City as the "ice czar" and worked out system for the handling of the ice output of all plants at Kansas City. The U. S. Department of Justice entered the picture and procured a consent decree but he is now handling the entire output of the U. S. Cold Storage Company.

Early Saturday morning last Mr. E. M. Dodds called me by telephone and I made a luncheon engagement with him. Mr. Breidenthal joined us. We discussed the entire situation with Mr. Dodds who is inclined to be adverse to the suggestion principally on the ground that the site is located in Kansas City, Kansas. Mr. Dodds is the same man that built the food terminal in the Central Industrial District of Los Angeles which he sold to the Santa Fe Railroad. He is very *conservant* with the industry and is familiar with the success made of so called railroad terminals. After a full discussion with Mr. Dodds he showed some inclination to favor the project. He is Chairman of the Trade Committee appointed by Judge McElroy. I think that we should see Mr. Dodds tomorrow.

In the meantime Walter Schulz has reported about the possibility of enclosing Jersey Creek. Mr. Gentry has prepared a new estimate but I have not found time to procure the estimate or discuss the matter with him in any way.

With the full consent of Mayor McCombs and Mr. Breidenthal, I prepared a preliminary application to P. W. A.

designating the same as supplemental to P. W. A. Project No. 4820. This was turned over to Mr. Skinner who I am advised desires to revise it somewhat but is generally agreeable to asking the P. W. A. for additional loan and grant. According to last report, the supplemental application will be mailed to Washington on Tuesday, June 1st.

According to press reports P. W. A. will expire July 1st but there is a move on foot in Congress to permit P. W. A. to handle projects where cities have cooperated by voting bonds or obtaining legislation. The supplemental application referred to above complies with this plan, but Mr. Breidenthal is of the opinion that it would be best to concentrate efforts with P. W. A. to obtain a grant and believes that the importance of the project and the fact that it is allied with agriculture and interstate commerce, the venture could be well classiled as a federal project and warrant [fol. 54] a grant of 45 per cent.

I was advised by D. H. Martin, investment banker at Kansas City, that McNeer & Company of Chicago specializes in revenue bond issues and after a preliminary discussion with him, he was of the opinion that it would be possible to interest this company in purchasing the issue. Mr. Martin was formerly vice president of the Fidelity National Bank & Trust Company in charge of its bond department and is a close business associate of Herbert F. Hall, Chairman of the Board of the Hart-Bartlett-Sturtevant Grain Company who is rated as the wealthiest man in Kansas City.

I previously advised you that Mr. Breidenthal had talked with Roy A. Roberts, Managing Editor of the Kansas City Star and that Mr. Roberts is impressed with the idea of establishing food terminal facilities at Kansas City.

I am impressed with two things, namely; First, I believe it is possible to establish the proper intercity relationship. Second, I believe that a food facility such as contemplated would be the best industry obtainable on the Union Pacific at Kansas City.

We are most fortunate in obtaining necessary legislation in Kansas. Leases now in force on the Public Levee, all signed by responsible parties and extending over a period of thirty years, will produce a gross revenue of $2,400,000 and approximate $1,000,000 more than necessary to pay the principal and interest on outstanding revenue

bonds. The city is now in position to lease facilities on the Public Levee for 99 years and in the event that it is necessary, I believe it would be advisable for the Kansas City Industrial Land Company to take a lease on the new facilities. It would, in my opinion, fully pay out and return a very substantial profit to the Land Company.

Mr. Fean has recommended that in addition to auction and team track facilities, four produce units should be constructed according to the plan recently developed. He is inclined to think that the westerly units or the ones closest to Minnesota Avenue should be two stories above the ground and that only one of these buildings should contain a basement. He also recommends that the easterly units each 484'x100' be one story and basement buildings. Mr. Fean estimated that these four buildings would produce gross revenue of $180,000 per year and states that the cost of maintenance, insurance and operation could be proportionately assessed against the tenants.

I attach hereto copy of the most recent estimate on traffic by Mr. Weedin. I have heretofore furnished you his former estimates.

[fol. 55] Mr. Breidenthal and I also talked to General T. Q. Ashburn with the Federal Barge Line, because it would be necessary to rearrange the Federal Barge Line lease. General Ashburn was very favorable to the suggestion of establishing a food terminal on the Public Levee. He has the mistaken idea that his boats could handle perishable freight. I am attaching for your information, letter from Walter F. Schulz, to which is attached report obtained by him about the Chicago produce terminal.

(Signed) G. E. Stanley.

[fol. 56] (Copy)

Omaha, June 2, 1937.

Mr. G. E. Stanley:

I appreciate the very complete report regarding the proposed food terminal, your letter May 31.

From the information that we secured regarding the Cleveland terminal, and the Buffalo terminal particularly,

the four dealer unit buildings should be profitable. This is especially true if they are owned by the City and leased to an operating company because they would then be free from taxes. There would be further relief in the event there is a PWA grant. Of course, the lower carrying cost would largely be reflected in reduced rates, yet there should be a reasonable profit to the operator. However, I would very much prefer that the Land Company should not be the operator. This is a business that is quite foreign to the Land Company's operation and would represent a relationship with a great many shippers that in some cases might prove quite embarrassing. I believe, therefore, we should dismiss from our minds the leasing of these facilities by the Kansas City Industrial Land Company.

I would prefer that the auction house be built by the City, and leased and operated by the same company that leases the dealer unit buildings. If it is owned by the City, it will be tax-free, and there is a probability that PWA grant can be received for that also.

I understood that at Chicago and Cleveland the auction houses were profitable in and of themselves, both for the unloading and warehousing for auction purposes of fruit handled through the auction house and also the operation of the auction house itself. I believe, therefore, that this auction house should be included in the facilities to be built by the City and leased to the operator.

I believe it advisable now for the City to proceed with its application to P.W.A. In order to do that it will be necessary for the operator to make a firm offer for lease, which offer must be accompanied by a satisfactory financial statement of its own worth, and in addition to that it will have to provide a detailed estimate of revenues and expenses, supported by evidence from some of the substantial dealers that they will take space in the new facility. You explained to me Tuesday that this project was placed before PWA late last Fall, and that PWA specified the legislation that should be enacted to cover. Accordingly, the City has been working along toward the development of the proposition to such a point where it could make a specific request for a PWA grant. That development has now been accomplished and application can be filed and pressed.

(Signed) J. L. Haugh.

[fol. 57] (Copy)

Omaha—June 7th, 1937
File D-5704-2404-1047

Mr. J. L. Haugh:

Referring to your letter of May 17th, requesting an estimate of additional revenue that will accrue to the Union Pacific as result of constructing a new perishable terminal Kansas City, Kansas:

There are so many uncertainties in connection with this proposition that it is impossible to make an estimate with any definite assurance as to its accuracy. In the first place, there is no way to determine the effect that the proposed new terminal will have in creating an increased total volume of traffic to, or through, Kansas City. We do know at other places adequate and efficient facilities with a successful market have increased traffic to the lines serving the terminal. As shown on statement attached to your letter, Mr. Weedin estimates an annual increase in Union Pacific line haul care of 1,720. This seems to be too optimistic, as in our judgment there can be no such increase.

It is a fact that the market needs of Greater Kansas City proper have been fully supplied and will be, regardless of the perishable terminal location. Therefore, an increase in the perishable traffic moving to, and through, Kansas City will be affected only as a terminal market may develop through the operation of buyers. The mere construction of the proposed terminal will not affect the total volume of business moving to, and through, Kansas City unless and until there is in connection therewith a successful market which will attract buyers from territory outside of Greater Kansas City. In other words, it is the market and not the terminal facilities that will influence an increased volume of movement.

The extent of movement via the Union Pacific will be affected by the location at the terminal of dealers who handle a large majority of the Kansas City perishable traffic, and if a successful major auction market at Kansas City is developed, and the dealers who are handling most of the Kansas City perishables are located therein, we should be able to increase our line haul traffic by approximately 1,000 cars per year, yielding a gross revenue of $106,000, also switching revenue on traffic of other lines of

approximately like amount, and in addition we should be credited with the absorptions that are now being made on our traffic which is delivered on other lines. This we estimate at about $28,000 per year, making the total additional revenue approximately $240,000 per year. The detail of this estimate is shown on statement attached, in connection with which the following explanation is made:

The Government report shows the total unloads and diversions at Kansas City for the year 1936 of 13,969 cars and 24,837 cars, respectively. I am advised, however, that the Government reports often fail to include in the unloads cars that were unloaded after having been set out for diversion, and that actually there were approximately 15,080 cars unloaded at Kansas City last year which, by use of the Government total, would leave 23,726 diverted for movement beyond.

[Vol. 58] Of the 3,497 cars moving via the Union Pacific to Kansas City in 1936 and there unloaded, 1,653 were unloaded on the Kansas City Southern team track, on which the switching charge absorbed was $12 per car. 736 cars were unloaded at industries on the Kansas City Southern in the fruit row district, on which the switching charge absorbed was $8.50 per car. There were 241 cars unloaded by A. Reich & Sons in the Rock Island freight house which were subject to an absorption of $6.40 per car. We anticipate that all of this business would be unloaded at the new fruit terminal, in which event we would be saved $28,634, and we have taken credit in this amount. Of the balance of the Union Pacific unloads of 2,630 cars there were 483 unloaded on the Union Pacific proper, 210 cars of the Empire Storage Company unloaded on the Missouri Pacific tracks, and 174 cars of the Safeway and A. & P. which were unloaded on the Milwaukee or Kansas City Terminal Company tracks. We question any of the traffic for the Empire Storage Company, the Safeway or A. & P. being unloaded at the proposed terminal.

11,583 cars unloaded at Kansas arrived via other lines, and I have assumed that 60% of these cars would be unloaded at the terminal and subject to contemplated switching charge of $12 per car.

It is contemplated that with a $12 switching charge for traffic unloaded at the terminal there would be established a charge of $6 per car in each direction on traffic placed on terminal tracks and diverted beyond. Our observation of

markets at other points, except Chicago, indicates that of the total cars diverted there is a very small proportion that actually moves to and from the perishable terminals. We believe this would be particularly true at Kansas City, and our estimate is based on the assumption that 10 percent of the diverted cars would move to and from the terminal.

(Signed) F. W. Robinson.

[fol. 59] Omaha, June 17, 1937.

Special Delivery

Mr. G. E. Stanley:

Your letter June 15 about application to P.W.A. for grant and loan to construct proposed food terminal on the public levee:

I am willing that the Land Company should advance the necessary expenses for those who go to Washington. Am attaching voucher for $1,000 for this purpose.

We will set up the amounts advanced in a suspense account, subject to securing return of the advances in the event the project is approved. It would be well to have this understanding with the Mayor and Mr. Breidenthal in advance.

You need not go on this first trip unless especially requested.

(Signed) J. L. Haugh.

[fol. 60] (Copy)

Kansas City, Missouri,
June 21, 1937.

Mr. J. L. Haugh:

I took lunch with Mr. P. J. Watson, President of the Kansas City Terminal Railway Company today.

Mr. Watson showed me copy of the Minutes of Meeting of Kansas City Terminal at Chicago June 15th, by which it was disclosed that Mr. E. M. Dodds, President of the U. S. Cold Storage Company, and Hugh Curran, President of North Kansas City Development Company, called on him and requested that the Kansas City Terminal finance a perishable market on land owned by North Kansas City (Burlington-Missouri Pacific) east of A. S. B. Bridge. Mr. Dodds quoted figures to Mr. Watson as you will note by

minutes. I did not request Mr. Watson to give me copy of the minutes as he stated that he had mailed the same to Mr. Jeffers on last Friday.

Mr. Watson, as you will note by the minutes, was instructed by the Board to make a further investigation of the subject. He asked me in particular about what had developed on the public levee site. I stated to him that as a result of some correspondence with one of our eastern representatives two men came here from the East and that we showed them all suitable property on our line; that these men, after full investigation, stated that the public levee was by character and location best suited for the enterprise and asked our opinion as to how the property could be properly served by rail service. I told Mr. Watson that we had given them suggestions about possible rail connections, but the whole matter was in the embryonic stage. Mr. Watson was also advised about our inspection of eastern terminals and I told him it was a fact that we had looked over various set-ups. He inquired in particular about Mr. Breidenthall's connection. I told him it was of civic interest only.

I made the direct statement to Mr. Watson that the Union Pacific was not attempting to and would not participate in the financing of the terminal. He made direct inquiry as to whether or not our top executi-es were familiar with the matter. I told him that they were and that like all other railroads in Kansas City we were interested in building up business along our line.

Mr. Watson was given the impression by Mr. Dodds that so-called "rollers" were billed to Kansas City from the west and south; that they were inspected and diverted here and that the plan of the proposed terminal was to concentrate all of the business on the inspection and team yard tracks. He further said that based on that information he had estimated that it would cost the railroads a great deal of money in extra switching of cars at Kansas City. I told Mr. Watson that the information given to him by Mr. Dodds was contrary to the facts as we understood them, also that proper facilities at Kansas City would attract much more business than now handled through the terminal. Mr. Watson said it was perfectly obvious to him that it would be possible to greatly improve existing facilities and remarked that even Mr. Dodds admitted that. Mr. Watson expressed [fol. 61] some doubt as to whether or not the business could

be transferred from Kansas City, Missouri, to Kansas City, Kansas. My answer to that was, if it could not, then the terminal could not be financed or constructed and that was something that would develop. He also referred to our single track on the west side of the Kaw River but I did not intimate in any way it was not improbable that another track would be constructed to handle our increasing business.

Mr. Watson also seemed to be familiar with the fact that the Missouri Pacific had some rights on the public levee "east of Minnesota Avenue." I stated that we had entered into a contract with the Missouri Pacific and City, but made no further reference to same.

Mr. Watson intimated to me that he would have to make a further study of the matter as he had been directed to do. I told him that you had collected considerable information about operating conditions and would doubtless be glad to give him any information that you had. Unless you think inadvisable, I suggest that you furnish him copies of the statements submitted by the operators of terminals, particularly the one sent to me by Mr. Schulz about the Chicago Produce Terminal.

Reporting on the conversation between Mr. Breidenthal and Mr. Watson as it was related to me by the former.

J. E. Carlson, Claims Attorney for the Kansas City Terminal resides in Kansas City, Kansas. He is a member of the Board of Education and prominent in public affairs. Mr. Carlson went direct to Mr. Breidenthal and gave him the impression that a monstrosity would be perpetuated if his plans were carried out. Mr. Breidenthal, as you know, is very shrewd about getting all details. He accepted an invitation to lu-ch with Mr. Watson, but imparted very little information. Incidentally, Mr. Carlson knew that some law had been passed by the recent Kansas Legislature and Mr. Watson inquired about that. Mr. Breidenthal was familiar with the legislation and stated that he had been interested in properly developing the public levee and the purpose of the legislation was to permit the City to develop a centrally located tract of land to meet the requirements of the Kansas City trade. Mr. Watson did not refer in any way to the request of Mr. Dodds and Mr. Curran that he Kansas City Terminal finance a terminal.

Mr. Watson said that he had made a study of the situation and found that it would cost the railroads $31.00 per

car to handle perishable business through this market and he thought that they would all be opposed to the plan on the public levee. He did not refer in any way to the Union Pacific and according to Mr. Breidenthal did not bring my name into the matter.

I reported to you that Mr. Watson called me direct.

Mr. Breidenthal had a ticket in his pocket for Washington when he conferred with Mr. Watson. He left here [fol. 62] Friday night in company with Mr. Skinner, City Attorney. When Mr. Watson talked to me today he apparently had no information about the representatives of the City leaving for Washington and of course I gave him no information. I did state to him that the eastern people who had consulted us about the terminal had talked to private bankers. I made that statement of fact purposely so as to prevent any protest going to P.W.A., if possible.

My own impression of Mr. Watson's attitude may be summarized as follows: Mr. Watson is active in the civic affairs of Kansas City. He is now or has been a member of the Board of Directors of the Chamber of Commerce, Kansas City, Missouri, and like all residents of this city he would naturally prefer a development on the Missouri side instead of the Kansas side. However, I am inclined to the view that Mr. Watson would be fair on anything involving the rights of the Union Pacific.

Will appreciate if you will send me excerpt from Kansas City Terminal minutes, Item 9, Pages 6 and 7, referred to above.

(Signed) G. E. Stanley.

[fol. 63] Excerpt from Minutes of Quarterly Meeting, Board of Directors Kansas City Terminal Railway Company June 15, 1937.

9. Produce Terminal

The President read the following report which was accepted as information:

"Subsequent to our letter calling this meeting, Mr. E. M. Dodds, President of the Kansas City Cold Storage & Warehouse Company and Mr. Hugh Curran, President of the North Kansas City Development Company, called on me in regard to the establishment of a consolidated Produce Terminal.

"Mr. Dodds stated he was reliably informed of a movement to establish such a Terminal in Kansas City, Kansas, on the River Front close to the new Municipal Elevator and that Willard Breidenthal was at the head of this movement and was now making an attempt to secure Government funds to defray the construction expense.

"Mr. Dodds is now serving on a Committee appointed by the City Manager of Kansas City, Missouri, to study and report on the location and development of a new City Retail Market and is of the opinion that a Produce Terminal would be of great benefit to the buyers and sellers of perishables at Kansas City but thinks that its location should be in Kansas City, Missouri, rather than Kansas City, Kansas, and suggests that the Terminal Company would be the logical company to develop and operate such an establishment. He stated that about 40,000 cars of perishables are consigned to Kansas City team tracks each year, of which 25 to 26 thousand are reconsigned for delivery beyond Kansas City, the balance 14 to 15 thousand unloaded here for local markets, and that it is desirable on the part of the merchandisers of these products that these cars be consolidated at one point rather than scattered around town on team tracks of the various railroads.

"Mr. Dodds suggested the property of the North Kansas City Development Company, located near the south end of the ASB Bridge in the North End of Kansas City, Missouri, as a logical location for such a development and asked for my opinion as to whether or not the Terminal Company would be interested in a scheme of this kind.

"I pointed out that in order to reach the property in question it would be necessary for the Terminal Company to construct a line crossing the Missouri Pacific main line; that in my opinion such an establishment would introduce additional haul and back haul of a large number of the cars [fol. 64] reconsigned for delivery beyond Kansas City and thereby substantially increase the cost to the railroads in the handling of this traffic in addition to delaying such shipments. I explained to Mr. Dodds that this Company now has no money to finance such a development, but that his suggestions would be considered."

It was understood that the President would make further investigation and if information is developed to justify a recommendation to the Board, a special meeting of the Board will be called.

[fol. 65] (Copy)

Kansas City, Missouri
June 23, 1937

Mr. J. L. Haugh:

Mr. Breidenthal and Mr. Skinner reported by telephone that the proposed Hayden amendment to the work relief bill was further amended to day by the U. S. Senate and will go to the House in the following language, namely:

"For projects which have been authorized or for the financing of which bonds or other obligations have been authorized at election held prior to April 24, 1937, or for projects for which revenue bonds have been authorized by state legislation under the law of the State where the project is located, $58,000,000 for grants and $7,000,000 for loans."

This was communicated to me over the telephone and I may have misunderstood the last figure and it may be $70,000,000 instead of $7,000,000.

Since arriving in Washington they have conferred with Secretary Woodring, Secretary Wallace, Finance Director Thoron of P.W.A. Senator Capper and Senator McGill. They also advised that they are working with a man by the name of Black in the Department of Agriculture who is interested in the distribution of perishable foods.

According to the telephone report, both Breidenthal and Skinner are quite well pleased with the reception of the proposition so far.

(Signed) G. E. Stanley.

[fol. 66] (Copy)

Omaha, June 23, 1937

Mr. Gray:

Am informed today that Messrs. Breidenthal, McCombs and Skinner at Washington have secured an amendment to relief appropriation bill now before Senate Committee, providing that a special amount (I do not have this amount) shall be set aside to be used as grant for those projects where municipalities, by public election, have authorized issuance of revenue bonds, or where State Legislatures have authorized cities to issue revenue bonds.

This will take care of the food terminal on the public levee at Kansas City, Kansas, because the city, by election, authorized issuance of revenue bonds, and the Legislature at its last session authorized the city to issue the bonds.

These gentlemen reported that they had seen the several Secretaries and under-Secretaries as well, and met with a very favorable reception.

(Signed) J. L. Haugh

[fol. 67] (Copy)

Kansas City, Mo.,
June 25, 1937

Mr. J. L. Haugh:

Shortly before noon yesterday, Willard Breidenthal called me by 'phone from Washington, D. C. advising that Col. Horatio B. Hackett, Assistant Administrator, P.W.A., wanted the City's formal application for loan and grant. Willard insisted that we get it out by air mail to him last night. Mayor McCombs called a special meeting of the City Board. He also requested Mr. R. E. Lawrence, P. W. Administration of Kansas, to come to Kansas City and he arrived on the Streamliner shortly after 1:30 P. M. Mr. Higgins, Mr. Gentry, Mr. VosKamp and myself worked on the application and four copies were mailed to Col. Hackett on the plane leaving for Washington at 3 A. M. this morning. We finished our work about 1 A. M. and the Board of City Commissioners continued in session until 12:30 A. M.

It was impossible to do this without publicity and I attach article from front page of morning Kansas City Times. I asked the Star reporter to keep our name entirely out of the story and he complied with the request.

On account of Mr. Dodds' opposition, I thought it was advisable to include cold storage, which together with four produce terminals, farmers market, auction house, enclosing Jersey Creek, raising land, paving, sewers, lighting and watermains brought the total to $3,710,000. In order to save time I had Mr. Higgins arrange by telephone with Mr. Terrell to send one of the small maps with the name of the architect on it. They were all attached to the application. It was necessary to send seven copies to Washington and Topeka and we only made eight copies, so the eighth copy remains at the City Hall. However, some additional

copies will be run off and I will furnish you a complete copy of the application.

I learned from dependable source today (F. C. Gunn, Architect) that Mr. C. E. Johnston, President of the Kansas City Southern, has left for Washington to oppose the City's application.

Willard Breidenthal told me over the telephone that he had things lined up so that they would allocate the money for the project and he suggested that in preparing the application that we put in everything that we could think of. The only thing left out was the railroad facilities north of Jersey Creek and which I am hopeful can be constructed by the Union Pacific.

I will also send you article that will doubtless appear in the Kansas City Kansas today, but will not get it until I get home.

(Sgnd) G. E. Stanley

[fol. 68] PLAINTIFF'S EXHIBIT No. 3

President's File No. 912

Volume 2

[fol. 69] (Copy)

C. W. McNear & Company
Municipal Bonds
Chicago

June 28th, 1937

Mr. Carl R. Gray, President,
Union Pacific Railway,
Omaha, Nebraska.

Dear Sir:

We have been asked to give consideration to the financing of the new Kansas City, Kansas, Terminal, in which we understand the Union Pacific is greatly interested.

Financing a terminal of this kind by the issuance of revenue bonds payable entirely from proceeds of the project is of a pioneering nature as no extensive market has been heretofore developed for bonds of this kind. In the first

place it occurs to us that the success of this terminal might depend largely on whether or not commission dealers, now located in Kansas City, Missouri, in perishable fruits and vegetables would be willing to concentrate in the stores and use of the facilities of the suggested terminal. We believe that most of the tonnage would come from California, South Texas, East Texas, and Florida, and if car charges or rates were any greater if produce was shipped from South Texas, for instance, to the new terminal than present costs to the Missouri side, South Texas shippers would not support the new terminal in Kansas City.

In search of information I just talked to Charley Irrgang, President of the Chicago Auction and he knows little or nothing about the subject as yet. We might be open to a financing proposition of this kind if we could be assured that rentals therefrom would be sufficient to amortize the loan which would be necessary.

It occurred to us that you might put one of your officials who is properly informed in touch with us. If, in your opinion, this project is being given serious consideration we would be most appreciative of any information you might give us.

Yours very truly, C. W. McNear & Company.
(Signed) C. O. Miles.

C. O. Miles:t

[fol. 70]

At Denver
July 15, 1937.

Mr. C. O. Miles,
C. W. McNear & Co.,
36th Floor, Bankers Bldg.,
Chicago, Illinois.

Dear Mr. Miles:

Your letter June 28th, regarding financing of new perishable terminal market at Kansas City, Kansas:

I understand that, if built, it will be constructed by the City of Kansas City, Kansas and owned by the City. They are seeking a P.W.A. grant, and will issue revenue bonds to cover the balance.

This terminal would be located adjacent to Union Pacific trackage. The interest of the Union Pacific, therefore, is confined to rail service for the proposed terminal.

If your company wishes to consider the financing of this market, it should communicate with the city officials of Kansas City, Kansas.

Yours very truly, (S.) C. R. Gray. H

[fol. 71] (Copy)

Kansas City, Missouri,
June 30, 1937.

Mr. J. L. Haugh:

Attached is clipping from the Kansas City Star and Kansas City Journal Post, which contain outbreak by Hal Lebrecht, President of the North Side Improvement Association about proposed food terminal on the Public Levee, Kansas City, Kansas.

The Union Pacific has not been mentioned in any way except article in The Packer which I mailed to you.

The statement credited Mr. Lebrecht will strengthen the determination of Mr. Breidenthal and other people in Kansas City, Kansas to work out the deal. I am entirely satisfied about the way the thing stands.

Sometime ago I sent you a so called Declaration of Policy which I prepared for Mr. DeOreo. He informed me today that ten merchants signed this declaration yesterday and he expected to obtain that many more names today.

Mr. Fryer reported to me today that he had been invited to one of the opposition meetings and declined. He said that some of the merchants had made direct inquiry of him about the interest of the Union Pacific in the terminal and he told them that the Union Pacific was not interested financially in the enterprise, but would, of course, be glad to serve any substantial industry located on its line.

Wm. Fean had another meeting with the farmers last night and represents that the farmers are strong for a new market in Kansas City, Kansas.

The Packer, a trade paper, requested an interview with Mr. DeOreo. I prepared and handed him the attached statement and it may be published in that form. Mr. DeOreo claims that the Packer is friendly about his suggestions.

Mr. Breidenthal and Mr. Skinner are on their way back from Washington and after conferring with them tomorrow I will let you know more fully about how the matter stands at Washington.

I appreciated Mr. Gray's cooperation in telephoning Mr. Pelley because we should aid in any possible way, Mr. Breidenthal and the City Officials.

(Signed) G. E. Stanley.

[fol. 72] (Copy)

Kansas City, Mo.,
July 1, 1937.

Mr. J. L. Haugh:

Reporting further on local developments about the proposed food terminal. I attach article that appeared in the Kansas City Kansan last night.

There has been no further publicity in the Kansas City Star or Kansas City Journal Post. I think the whole matter is now on a political basis between the States of Kansas and Missouri.

Today Mr. DeFeo, one of three brothers and a very responsible produce dealer, called at the office in company with Joseph DeOreo. Mr. DeFeo stated that he was on Hal Lebrecht's committee and together with Mr. DeMaria, another merchant, refused to join in the protest to Senator Truman.

Mr. DeFeo wanted to know what our connection was with the proposed terminal. I made it entirely plain to him that we were not financially interested in the terminal; that the City itself was the proper party to provide the facilities and being a public body is eligible for 45 per cent grant and could lease tax free building. Mr. DeFeo is a carload buyer and very much to my surprise, he paid more attention to rail facilities than anything about the market. I showed him the plan prepared by the Chief Engineer's office. He was particularly impressed with the paved roadways between trackage and the accessibility of the same in relation to proposed terminal yards. He is very outspoken about the meager possibilities in the North End of Kansas City, Missouri. He has seen eastern terminals and is very much interested to have the plan carried out on the Kansas side, if possible.

According to Mr. DeFeo, Judge McElroy has made two requests to talk to him and has tried to get him in line for Kansas City, Missouri market. Mr. DeFeo said that the only thing he found wrong with the Kansas location was the size of the tract; that it should be 100 cars instead of 60 in order to accommodate all allied food merchants.

It is very plain to me, and Mr. Gentry fully agrees, that if facilities are financed on the Kansas side it would be an easy matter to move all of the merchants and farmers to that location except three commission merchants who own their own buildings in the north end.

Mr. R. R. Cravens of the banking firm of Stifel, Nicolaus & Company, St. Louis, came back to Kansas City and I took him to Mayor McComb's office. He will be in Kansas City again tomorrow and is apparently very much interested in buying the revenue bonds. Mr. Cravens said he thought it was advisable for the city to get a grant but hoped that they would not get a loan as he thought the business belonged to a private banking firm. Incidentally, Sverdrup & Parcel has been designated as the engineer for this banking firm.

[fol. 73] Up to this time the Union Pacific has not been identified with this enterprise in any way except as I have reported the situation to you. I am still very hopeful that we will be able to succeed in locating this industry on our line. I also have a growing feeling that there is no available project at Kansas City of greater traffic importance to us.

(Signed) G. E. Stanley.

[fol. 74] (Copy)

Kansas City, Missouri,
July 3, 1937.

Mr. J. L. Haugh:

Attached are newspaper clippings, as follows:

Article quoting Mr. Breidenthal.

Article indicating support for Missouri side market by the Chamber of Commerce, Kansas City, Missouri.

Article from Kansas City Packer.

You can see that the subject of a new market in Kansas City is pretty much in the open. No one could justify the deplorable and unsanitary conditions that exist here at this time.

Developments (not publicized) since my last report are summarized:

1. Mayor McCombs, Breidenthal, Skinner, Gentry, Vos-Kamp, D. H. Martin, local investment banker, and I conferred with Mr. R. R. Cravens, Vice President of Stifel

Nicolaus & Co., St. Louis. This banking firm has examined leases obtained under P. W. A. Project 4820 and today made written proposal to city to take up revenue bonds ($1,054,000) now held by P. W. A. at par and refund same in new issue aggregating about $4,000,000 of which only $2,000,000 would be presently issued for refunding and new construction purposes, subject to (a) legal opinion that bonds are exempt from federal and state income taxes and otherwise satisfactory, (b) approval of proposed liquidating leases and rentals (c) assurances that city will obtain viaduct and assume direct burden of enclosing Jersey Creek and construct streets, parking spaces, sewers, water mains and modern street lights. The balance of $2,000,000 to be issued only under certain future conditions fixed by the bankers.

Commissioners Darby and Schaible were not present. Mr. Skinner raised numberous legal objections, but has already receded from most of them. The unsettled legal points are not insurmountable.

2. Seventeen merchants now located at City Market have signed instrument circulated by Mr. DeOreo which generally commit them to plan proposed by Kansas City, Kansas.

3. Breidenthal has wired Senators Capper and McGill as per attached copies, requesting them to urge Secretary Wallace to send a representative to Kansas City. In my letter of yesterday, it was erroneously stated that the letter to Senator Capper was filed with P. W. A. Mr. Breidenthal stated that he did not want to file that report at this stage as it probably would prevent him from obtaining a final and more binding report from the Department of Agriculture. [fol. 75] 4. Kansas City, Missouri is foreclosed from obtaining P. W. A. aid as no new applications can be considered. The application from Kansas City, Kansas has a fighting chance on the ground that revenue bonds have legislative authorization and project is supplemental to 4820.

5. Mr. Fean and Mr. DeOreo both advise that local merchants are not educated about possibilities of a local auction building and recommend that plan for auction building be temporarily deferred. They further suggest that proposed building 340′ x 100′ be shown on architect's plan as a merchandise warehouse at this time.

6. Mr. Breidenthal expressed opinion that if the City

could obtain revenue bond loan from private bankers, that should improve chances to obtain P. W. A. grant. Mr. Cravens agreed to return to Kansas City on Wednesday, July 7th, when a definite form of agreement will be submitted to the entire Board of City Commissioners.

I am of the opinion that if the City is able to construct all public improvements such as paving and sewers, that enough money can be raised from bankers and P. W. A. grant to construct all the buildings and raise the ground south of Jersey Creek.

I see a great deal of activity on the part of the Kansas City Southern, Missouri Pacific and North Kansas City interests to resist the improvement on the Kansas side. They are concentrating their fight on Washington and will be surprised when they learn that the project can be constructed without a government loan.

(Signed) G. E. Stanley.

[fol. 76] (Copy)

Omaha, July 21, 1937.

Mr. G. E. Stanley:

Confirming the conclusions we reached at Kansas City in connection with the further set-up for the market:

(1) It will be necessary to secure a tentative proposal for rental on the cold storage plant, such proposal being contingent upon the entire market proposition developing as planned.

(2) It will also be necessary to secure a tentative proposal from Mr. Fean and associates for a flat annual rental on the four dealer buildings and the auction house. This annual rental will have to cover interest and amortization, with a sufficient margin to meet the requirements of the financial agents who will handle the loan. Mr. Breidenthal estimated that this required a return of 5.775% on the amount of the loan. In making this proposition, Mr. Fean and his associates will have to furnish a sufficient guaranty, either in the form of bonds or other acceptable evidence that the terms of the lease will be fulfilled.

When the set-up is sufficiently complete to indicate that the project can be carried through and the detailed architectural plans are completed, Mr. Fean will be in position

to take actual leases from prospective tenants, each of them of course, conditioned upon completion of the project and tenancy of a sufficient number of dealers to insure success.

In order that Mr. Fean can make the proposal, he will need to establish the rentals which, together with income from other sources, will be sufficient to cover, with normal occupancy, the flat rental that is to be paid to the city, plus operating expenses, insurance and all other charges, allowing a reasonable operating profit.

(Signed) J. L. Haugh.

[fol. 77] (Copy)

Kansas City, Mo., August 9, 1937.

Mr. J. L. Haugh:

Mr. W. A. Crow, Associate Agricultural Economist, Marketing Research Division, Bureau of Agricultural Economics, Department of Agriculture, left Kansas City last Saturday night. Just before his departure Mr. Breidenthal had an hours conference with him and reports that his attitude toward a Kansas site for proposed new market is satisfactory.

Mr. Crow's final report will be completed in about a week and will be transmitted by Secretary Wallace to Senators Capper and McGill and of course Breidenthal will get a copy.

Mr. Crow has one hobby about terminal markets. He thinks that some plan should be devised whereby railroad cars could be loaded and unloaded direct into stores. He talked to me about saw tooth arrangement and wanted to know if we would submit him some studies along that line. If possible I wish you would have our engineering department sketch any possibilities along that line.

Mr. Crow stated to Mr. Breidenthal that he had made a survey of the kind and type of merchants in Kansas City and was of the personal opinion that not to exceed 60 could be classified as real merchants. Mr. Breidenthal explained to him that in addition to the merchants handling fruits and vegetables, the terminal could accommodate wholesale meat dealers, cash and carry grocers and other allied food lines.

Mr. Fean has left for Chicago to attend apple growers convention and while there will confer with Federal Storage Company.

Practically all of last week was devoted to assisting Mr. Crow's survey and if possible, I want to get the estimates finished and otherwise round out the picture so that we can get down to brass tacks. I regard the local situation as very favorabel. It would be very helpful if the Federal Government would give a substantial grant and the balance can be financed through private sources, provided proper supporting leases can be obtained. I have even started to draft some lease forms.

(Signed) G. E. Stanley.

[fol. 78] Declaration of Policy About Produce Terminal for Kansas City

The undersigned firms engaged in the wholesale produce, fruit and vegetable business at Kansas City, realizing the need of a modern up to date and central wholesale food center or terminal market, for the proper conduct of their business, without obligation on the part of the undersigned and with the understanding that this is no contract, hereby declare the need for following mentioned facilities at Kansas City, namely:

1. That Kansas City should be a national market and one of the foremost wholesale produce, fruit and vegetable markets in the United States.

2. That a central food center or terminal market should be established at some centrally located point in Kansas City and of sufficient size to provide:

(a) Inspection and team track facilities for 300 or more cars.
(b) Modern terminal buildings.
(c) Adequate parking space.
(d) Wide paved streets.
(e) Adequate offices and facilities for all allied lines of the food business.

3. That one of the units of the terminal should be a good space for a farmers' and producers' market.

4. That the proposed terminal be open to all railroads.

5. That when the food center or terminal market is established, it should be exclusively devoted to the wholesale

business and be entirely disassociated from the retail market.

6. That an auction house should be provided as a part of the food center or terminal market, provided the trade represented in the terminal desires such a facility.

7. That a cold storage plant of adequate size and capacity be provided as part of the food center and terminal market, provided the same is required by the trade and business concentrated at the proposed terminal.

8. That such other and additional facilities be provided to make the central food center or terminal market of Kansas City second to none.

This instrument shall not be construed as a contract or agreement. It is a declaration of policy and good will toward a worthy and needed facility for Kansas City and produce dealers. It is signed for the purpose of encouragement only in order to warrant the time and expense of preparing suitable drawings, information and full particulars for the further advice and information of the trade.
[fol. 79] This instrument is submitted to Mr. Joseph DeOreo for his information and guidance.

Frank Ross (1)

Horowitz Produce Co. (1)

Stall 32 New City Market K. C. Mo.

Winer & Saroff Comm Co. (1 or 2)
By Harry Winer—Pres
Sam Kinl
with Lester Copaker (1)
Second floor space 100-80 is rented for $4,800 a year

Herman Wienshienk Clothing Store
Defoe Fruit Co. (2 units)
DeMaria & Janssen (2 ")
C. V. O'Connell (1)
Central Brokerage Co. (Office)
Quality Banana Co. (1)
Harry Fishman (1)
Kansas City Bkyet Distr Co. (1)
Robert G. McKee Prod. (office)
Sarser Bros. (1)
Mike DeFeo, Paola, Kan. (1)
P. Rosenzweig (1)
Ben Harris Produce Co. (1)
Dreyer & Company (1)

Clarence W. Kelley (1)
Jackson Produce Co. (1)
Lawrence Nigro (1)
Oscar Rosenblum (1)
A. Feinberg (1)
S & S Produce Co. (1)
D'Angelo Celery House (1)
M. Picone (1)
A. Robinson & Son (2)
Henry Baum (1)
Lamis Feldman (1)
Martin Ungerleider Co. (1)
Dwork Comm. Co. (1)
E. Austin Sutton (1)
Louis Adelman (1)
Jou Passantino (1)
Garvis Passantino (1)

N. Demarea & Sons	(1)	Joe Cipola & Son	(1)
By M. DeMarea		M. O. Potvin	(1)
Supreme Celery Co.	(1)	Watrous & Sons	(1)
DeMaria Fruit Co.	(1)	Albert Passiglia	(1)
Cherrito Celery H.	(1)	J. S. Ferrante	(1)
George Nigro	(1)	D. Shurr	(1)
Chas. Palumo	(1)	The Blond 21 E 30	(1)
N. B. Janssen	(1)	Sol Lerein (groc. & Delicatessen	(1))
C. A. Milburn	(1)	P. Schultz & Son	(1)
Collins Produce Co.	(1)	Carl Palito	(1)
A. R. Miller	(1)	Palernio Prod.	(1)
Ed Prod. Co.	(1)	Joe Pohto	(1)
Sam Litman	(2)	James Pusateri (restaurant)	
		Mills Pro. Co.	(1)
		Arthur Harris	(1)

* The above figures in parenthesis written in ink on original

The following notations in ink

L. Coppaken	(1)	D. R. Lyttle	(office)
Louis Mallon	(2)	H. Junsberg	(1)
Simon Yukon	(2)		
Zeigler	(1)	Michael Swanson & Brady	(2)
Garrett Holmes	(2)	Winiger Produce Co.	(1)

[fol. 80]

National Produce Co.	(1)	Pisciotta Fruit	(1)
Henry Lorber	(2)	Reich & Sons	
Singer's Produce Co.		O. C. Evans	

(Penciled Notation)

Note: A copy of this "declaration" also appears in Stanley's file "Food Terminal—Petitions (No. 29).

PFM

[fol. 81] (Copy)

Kansas City, Mo., September 2, 1937.

Mr. J. L. Haugh:

The Board of City Commissioners, Kansas City, Kansas, today authorized an increase of 120,000 yards of fill south of Jersey Creek on its public levee, to bring that part of the property up to the level of Minnesota Avenue.

Instead of using part of the $75,000 bond issue, the City will pay for the cost, approximating $21,000, out of another bond fund. This was done in order to hold the $75,000 intact for market purposes.

During my absence from the city there has been no change in the situation. I learned definitely that 62 merchants have signed the DeOreo petition for the new market.

Mr. Fean continued to hold the farmers in lines.

I verified report that Mr. Burnett of Topeka was in Kansas City on Wednesday of this week and in company with Mr. Turner, conferred with U. S. Cold Storage and other North Side interests. Mr. Cahill reported that one of the merchants came to him yesterday and I have an appointment with him this afternoon. His name is Ziegler and I understand he wants to get in the Kansas market.

I am hopeful that you will be able to keep your tentative appointment for next Tuesday, September 7th, so we can go into the matter further at that time. During my absence from the city Mr. Mike Ross, father in law of Gordon Hamilton, President of the Ross Construction Company, (Pendergast) died and that has prevented me from conferring with Mr. Hamilton.

Nothing has occurred to change my mind about the market possibility and probability.

(Signed) G. E. Stanley.

P. S.—Mr. Herbert Ziegler of Ziegler & Company, wholesale merchants, 406 Walnut Street, is President of Merchants Market Committee. He explained that he had worked with Lebrecht, McElroy and others on Committee and did not want to sign DeOreo's petition—however, he is for new market and wants us to see that he is not "shut out" and said he would sign a lease as soon as it was ready. Mr. Ziegler is a friend of Mr. Cahill.

G. E. S.

[fol. 82] (Copy)

Kansas City, Mo., September 10, 1937.

Mr. J. L. Haugh:

The attached clipping refers to meeting mentioned by Mr. Ziegler yesterday.

Hal R. Lebrecht is the banker.

Phil Pisciotta signed petition for Kansas market.

Herbert Ziegler is, as you personally know, adverse to McElroy's plan.

Henry Hanssen signed petition for our market.

Louis Singer is known to favor keeping market in Kansas City, Missouri.

Edward Lorber is the politician.

Benjamin Uykon is for our market plan.

Henry Robinson is also for our layout.

Nat Milgram is wholesale grocer mentioned by Mr. Gentry.

Turney Gratz is paid secretary.

Lambader and Trask are unknown to me.

(S.) G. E. Stanley.

[fol. 83] (Copy)

Kansas City, Mo., September 17, 1937.

Mr. J. L. Haugh:

H. L. Traber, Executive General Agent of the Missouri Pacific, talked to me today about proposed food terminal for the first time. He had one of the old maps that was prepared at the time the tri-party agreement was entered into.

I did not avoid the question in any way and told him frankly that the drill tracks would be confined to that area south of Jersey Creek and that the City wanted the Union Pacific to build and exclusively serve team and inspection tracks north of Jersey Creek. All Mr. Traber did was to beg for the right to serve the stores if possible and the cold storage and said that he would be agreeable to us handling the team and inspection tracks as we had things tied up to the north.

Mr. Traber spent a great deal of time beating around the bush and finally asked me if I thought the Union Pacific would admit the Missouri Pacific into Fairfax on a one-half ownership basis. I asked him what they were going to do with North Kansas City. He replied that it would be a long drawn out litigation, stating that the Burlington attorneys said they had outlined nine different suits and only one has been filed to date. I told Mr. Traber that I could not initiate his suggestion in any way but if his people wanted any operating rights or interests in Fairfax that they should direct their request to our President's office.

Mr. Traber is entirely friendly and I really think he is sincere about limiting the Missouri Pacific's participation in the food terminal to that area south of Jersey Creek.

I showed him no maps but told him that we would soon have a map of a definite plan and would turn it over to him when it was received here.

(Signed) G. E. Stanley.

[fol. 84] (Copy)

Kansas City, Missouri,
September 22, 1937

Mr. J. L. Haugh:

Willard Breidenthal told me over the telephone last night that he had a very satisfactory talk with Secretary Wallace yesterday. He said that the Secretary, Dr. Black, head of the Bureau of Agricultural Economics, and Mr. Crow are very much interested in the Kansas side market.

Harry Woodring was in New York yesterday marching with the American Legion. Willard said that on the return of Woodring today, he would have a joint meeting with Charles West, Assistant Secretary of Interior, Woodring and Wallace. He also said that P. W. A. legal staff was reviewing a premature decision that the City's application had not been filed in time.

In substance, Willard said he had a real fight on his hands but was leaving no stone unturned. He further said that he wanted to conclude the matter while there and did not set any date for his return to Kansas City.

I have been acting as a base of supplies and furnished him evidence on several things as requested. We forwarded a farmers' petition about twelve feet long.

(Signed) G. E. Stanley.

[fol. 85] (Copy)

Kansas City, Mo.,
September 25, 1937

Mr. J. L. Haugh:

Attached hereto you will find print prepared by Mr. Higgins, showing location of four proposed produce units, each covering a ground area 90 feet wide by 486 feet long, together with estimate prepared by Gentry, Vo Kamp & Neville for each building and the farmers' market. Also attached is estimate prepared by Mr. Higgins on the cost of paving, widening of Minnesota Avenue, combination storm and sanitary sewers and enclosing Jersey Creek. Mr. Higgins' estimate does not include engineering expense except that he used Mr. Schulz' estimate of $160,000 for enclosing Jersey Creek and that does include engineering and inspection. Inasmuch as the paving and sewers would

be done by the City, I do not think it is necessary for us to carry the engineering expense for present estimating purposes.

Mr. Higgins and Mr. VosKamp are both of the present opinion that no piling will be required under the buildings but for your more complete information, you will note that an estimate has been made showing the piling cost.

You will note that a one story and basement building is estimated to cost $245,233 and a one story building without basement will cost $150,117, thereby establishing the cost of a basement at about $95,115. The cost of unit No. 2 over unit No. 1, both two story and basement buildings, may be accounted for by the fact that unit No. 2 includes freight elevators.

It is also developed that the cost of a second floor is $126,659 so the proposed rate of rent ($150 per month for one story and basement and $175 for two stories and basement) is entirely out of line. I have discussed the matter with Mr. Fean and Mr. DeOreo in the light of these estimates and they both agree that it would be best to build unit No. 1 as proposed, that is two stories and basement with practically the entire second floor devoted to offices, club rooms, restaurant, etc., and that the remaining units should be one story and basements. However, four different types of buildings have been estimated and you can yourself determine which would be the most economical and satisfactory.

The buildings would all have concrete slab roofs and be more substantial than structures inspected by us in eastern cities, except the extravagant buildings at Detroit. The cost of proposed new buildings could be decreased by using steel frame design and wood roofs.

According to Mr. Higgins, the proposed viaduct will just reach the ground south of the most southerly east and west road, which limits length of buildings also confined at north end by Jersey Creek. Mr. Fean insists that room be provided for at least 500 farmers and states that it will be necessary to use space west of Minnesota Avenue as an overflow area. Mr. Gentry's office has estimated that the cost of 500 farmer stalls will be $94,164.

[fol. 86] Mr. Breidenthal stated to me over the telephone that Mr. Crow would be very obdurate about tracks back of store buildings. Mr. Gentry said that if such a plan were followed, it would be advisable to make the store units 22

feet wide instead of 20 and you will note by his revised plan that he recommends an 8 foot platform at the rear of the store buildings with the idea that they will be served by trackage. He pointed out that an area 90 feet long by 22 feet wide would give 1,980 square feet, whereas the original area 100 feet long by 20 feet wide would be 2,000 square feet. The new plan only provides for 88 units instead of 96 but both Mr. Fean and Mr. DeOreo insist that the rentals from the second floor will be substantial. They figure that an office 15 feet long by 11 feet wide will rent for $25.00 each per month and the plan contemplates 50 such offices. They also claim that the restaurant, club room and other facilities will bring a good rental and that the corner units will bring a premium. They are more optimistic about gross income than indicated by figures that you and I agreed upon.

My recommendation is that we fix definite plan and estimates, as follows:

Unit No. 1 as planned	$ 359,685
Build three units with basements as indicated by Gentry's No. 3. (Estimated cost of each unit $245,233)	735,699
Stalls and platforms for 500 farmers (Former estimate was for 150. Cost of farmers' market should be reduced to $75,000)	94,160
Higgins' estimate (which does not include fill or any sewers north of Jersey Creek)	441,207
Total estimated cost	$1,630,751

Above Cost be Financed in Following Manner:

City to authorize issue of revenue bonds (in amount to contemplate future financing requirements for cold storage, auction, etc.) of which $2,250,000 would be presently outstanding. After refunding outstanding bonds of $1,054,000 there would be available for construction	$1,196,000
Balance	$ 434,751

Farmers market plan reduced to $75,000 and financed by sale of bonds heretofore voted by City	$ 94,160	
To apply against cost of sewers and enclosing Jersey Creek as provided by Chapter 149, Laws of Kansas, 1937	100,000	
[fol. 87] Widen and improve Minnesota Avenue as trafficway under authority of Chapter 148, Laws of Kansas, 1937,	68,200	
Paving area for farmers' market $45,504 and 8" concrete paving for streets and public places $94,360 to be financed by City	139,864	
Balance to be saved by change in design	32,527	
	$434,751	$ 434,751

In case P. W. A. grant is obtained, the revenue bond issue should be limited to $2,000,000. The City's expenditures would also be lessened.

Regarding fill north of Jersey Creek, I am advised by Minneapolis Dredging Company's superintendent that they would probably do the filling at unit price of 18.12 cents per yard, provided the work could be done this fall. Inasmuch as this land would be exculsively used by Union Pacific and the City could not let the job before cold weather, I wish you would contemplate filling the land and building sewers at our cost, for which we would receive proper credit in fixing rental.

You may wish to change size of building, eliminate rear platforms and go back to twenty foot units, but the proposed trackage plan may serve to help us with U. S. Department of Agriculture and Missouri Pacific. I realize as you do that the tracks would not be used and the trade and Mr. Crow will talk themselves out of such a plan before they get through.

In case our people want to support the revenue bonds by guaranty or lease, it would be on basis that thirty year leases were actually made for all units financed and constructed. I think we could be adequately protected by a

suitable arrangement with the operating company, but that will require further negotiations on your part.

The cost estimates of Mr. Gentry have exceeded my expectation. They are based on P. W. A. and municipal experiences but if this job is financed by private financing and the City gives expected cooperation, I feel certain the estimates can be substantially lowered.

(Signed) G. E. Stanley.

[fol. 88] (Copy)

Suggested Financing of Proposed Produce Market and Terminal

Kansas City, Kansas

General mortgage bonds already sold to cover cost of filling	$21,000
General mortgage bonds authorized in 1917 for construction of farmers market	75,000
General mortgage bonds for construction of sewers and enclosing Jersey Creek that may be authorized by City Commission	100,000
General mortgage bonds for paving farmers markets that may be authorized by City Commission as paving streets and public places	139,864
General mortgage bonds for widening Minnesota Ave. as trafficway that may be authorized by City Commission	68,200
P. W. A. grant 30% of $1,901,107	570,332
Revenue bonds to be issued to cover construction of food terminal project	926,711
Total Financing	$1,901,107

If P. W. A. grant is not secured, new revenue bonds would have to be sold totalling

Omaha, Nebr., Sept. 27, 1937.

[fol. 89] (Copy)

Estimated Cost of Proposed Produce Market and Terminal, Kansas City, Kansas

Preliminary Expense	$5,000
Land Filling—110,000 cu. yds.	21,000

Paving—Widening Minnesota Avenue	68,200
New streets in produce market	94,360
Sewers	26,759
Pumps and pump houses for sewerage	35,000
Enclosing Jersey Creek	160,000
Water Mains—To be built by Utilities District out of their own funds	
Lighting and Power Service—To be built by Utilities out of their own funds	
Food Market Buildings:	
1 Two-story and basement building containing 22 dealers' units and 50 offices	359,685
3 One-story and basement buildings @ $245,233 each	735,699
Add for piling if required under each of the four buildings	71,528
Farmers market umbrella sheds and platforms for 500 stalls	94,160
Farmers market sewers	11,384
Farmers market paving	45,504
	$1,728,279
Contingencies 10%	172,828
Total	$1,901,107

Omaha, Nebr., Sept. 27, 1937.

[fol. 90] (Copy)

Omaha, September 27, 1937.

Mr. G. E. Stanley:

Your letter September 25:

Am enclosing a statement, which I have made up from your letter and the estimates attached, of the estimated cost of the proposed produce market and terminal.

I have included the units as you suggested, and have added the cost of piling which would, of course, be put in only as required. Have also added a contingency item of 10%. I

hope that this estimate may be high, but it is better to start in on that kind of a basis than be too low.

Then, on another sheet I have shown the suggested financing.

Will be glad to have you check each of these over very carefully, and advise any corrections that you have.

Am not sure whether the $75,000 of bonds heretofore voted by the city for the farmers' market are revenue bonds or general mortgage bonds. These are shown as general mortgage bonds on the statement.

(Signed) J. L. Haugh.

[fol. 91] Estimated Cost (City's Portion) of Perishable Terminal Market, Kansas City, Kansas

1. Preliminary Expense			$5,000
2. Land, rights of way, easements			none
3. Construction:			
A. Land filling		$120,000	
B. Pavements		230,300	
C. Sewers		69,750	
D. Enclosing Jersey Creek		160,000	
E. Water Mains		41,188	
F. Lighting		30,000	
G. Power & Light Service		42,000	
H. Food Market Buildings:—			
2-story bldg. & bsmt., 1,504,181 cu. ft.	$436,461		
2-story bldg. & bsmt., 1,504,181 cu. ft.	436,461		
1-story bldg. & bsmt., 1,078,260 cu. ft.	344,001		
1-story bldg. & bsmt., 1,078,260 cu. ft.	344,001		
Freight terminal and auction bldg. 590,800 cu. ft.	129,694		
Farm market shed	10,691		
Farm market shed	10,691		
		$1,712,000	
J. Cold Storage		660,000	
K. Contingencies, 10%		307,023	
			$3,372,261
4. Eng. & Architects' fees, 5%		168,588	
Legal		5,000	
Interest during construction, 4% on construction cost		150,000	
Miscellaneous		10,000	
			333,588
Total			$3,710,849

(Copy)

ol. 92] Estimate of Increase in Union Pacific Revenues on Account of Proposed New Food and Perishable Terminal at Kansas City, Kans.

Traffic arriving Union Pacific and unloaded at Kansas City in 1936:				
Kansas City Southern Team Tracks	1,653	Cars @	$12.00	$19,836
" " " Industries	736	"	8.50	6,256
Rock Island	241	"	6.40	1,542
Missouri Pacific	210	"	6.40	1,344
Milwaukee or K. C. T.	174	"	6.40	1,114
Union Pacific	483	"		....
	3,497			$30,092
Less Cars that might continue to be unloaded on other lines tracks	384	"	6.40	2,458
Net saving in payment for Switching Charges	3,113			27,634
Traffic arriving Union Pacific destined to Kansas City, set on team tracks, and then diverted to other lines in 1936. 7,788 cars of which at least 80% would be handled at new terminal or 6,230 cars upon which other lines would absorb $6.00 per car Switching Charges				37,380
Traffic arriving other lines destined to Kansas City, set on team tracks, and then diverted to Union Pacific in 1936. 2,466 cars of which at least 60% would be handled at new terminal or 1,480 cars upon which other lines would absorb $6.00 per car Switching Chgs				8,880
Traffic arriving via other lines and unloaded at Kansas City in 1936. 11,583 cars of which at least 60% would be handled at new terminal or 6,950 cars @ $12.00 per car				83,400
Traffic arriving via other lines and then diverted to other lines in 1936. 13,472 cars of which at least 30% would be handled at new terminal or 4,040 cars @ $12.00 per car				48,480
Revenue from Switching and Savings in payment for Switching				$205,774
Less actual cost of switching at new terminal—23,563 cars @ 4.00				94,252
Net earnings from Switching				$111,522
Increase in Union Pacific Traffic:				
Arriving Union Pacific and unloaded at Kansas City: (10% increase) 350 cars @ $120.00			$42,000	
Arriving Union Pacific and then diverted to other lines at K. C. (10% increase) 780 cars @ $100.00			78,000	
Arriving other lines and then diverted to Union Pacific at K. C. (10% increase) 250 cars @ $100.00			25,000	
Through Traffic: (1% increase) 370 cars @ 100.00			37,000	
Total increase in roadhaul traffic 1,750 cars				$182,000
Total Increase in Roadhaul Traffic and Net Earnings from Switching				$293,522
Cars to be unloaded at new terminal			10,413	
Cars to be handled for diversion at new terminal			13,150	
Total			23,563	

Omaha, Sept. 24, 1937

[fol. 93] (Copy)

Kansas City, Mo.,
September 28, 1937.

Mr. J. L. Haugh:

Mayor McCombs and Messrs. Breidenthal, and Skinner, have returned from Washington. I met with them this forenoon.

The first person they talked to at Washington was W. C. Crow, then Dr. Waugh, head of the Bureau of Marketing Research, then Dr. Black, head of the Bureau of Agricultural Economics, and through the latter had a very friendly conference with Secretary Wallace. Secretary Wallace stated to them that he was very familiar with the project, having talked to his own department officials and that it also had the high endorsement of Senator Capper and Senator McGill. Secretary Wallace asked the direct question what he could do to assist and a direct request was made that he team with Secretary Woodring to bring pressure on P. W. A. Secretary Wallace agreed to do that.

Representatives of the City conferred with Colonel Clark, acting P. W. A. Administrator and the heads of several examining divisions. B. H. Thoron, head of the Finance Division, appears to be very adverse to the market plan. He referred to numerous protests, enumerating U. S. Cold Storage, Midwest Ice and Cold Storage and City Ice Company and then tried to cover up his information. Mr. Thoron claimed that his division had turned the project down. Mr. Breidenthal claimed that Colonel Hackett and Assistant Secretary of Interior had given the project approval prior to the time limit fixed by the national P. W. A. act. Mr. Thoron pretended to forecast rulings of the comptroller and otherwise showed his antagonism. Mr. Breidenthal quoted Mr. Thoron as saying "I have placed a price of one hundred two on P. W. A. bonds now held". However, Mr. Thoron does not run P. W. A., the comptrollers office or the R. F. C., the latter being the selling agency for P. W. A.

The representatives of the City also talked to Mr. Foley, General Counsel of P. W. A. Secretary Woodring also talked to Mr. Foley and stated to him that he had the word of Assistant Secretary West and Colonel Hackett that the project was qualified by P. W. A. approved before the national

act was passed. Mr. Foley said that if that were true, then the President and the President alone had authority to give the grant.

Secretary Woodring cooperated in fine shape. He stated to representatives of the City that he had discussed this project with the President and had the President's consent to talk to both Assistant Secretary West and Colonel Hackett. Woodring said if necessary he would make an affidavit that he had been assured that the project had P. W. A. approval, which was hastily given for the purpose of bringing it within the act which was then about to be passed.

Mr. Foley is in Kansas City today attending the American Bar Association convention. The acting comptroller, successor to McCarl, is also in Kansas City today. The Mayor and Messrs. Breidenthal and Skinner are seeking these two people out for separate appointments today.

[fol. 94] Secretary Woodring talked with Secretary Wallace but missed connection with Assistant Secretary West and tried unsuccessfully to get him on long distance telephone. Woodring invited representatives of the City to come back to Washington about October 1st and West will also be there then. He said that he was not going to permit P. W. A. to repudiate their word to him.

In substance, there are some underlings in P. W. A. who have tried to disqualify the City's project. It was made clear to P. W. A. that all the City wants is a grant and that it does not seek a loan.

(Signed) G. E. Stanley.

[fol. 95] PLAINTIFF'S EXHIBIT No. 4

President's File No. 912

Volume 3

[fol. 96] (Copy)

Note: Following letter written in ink.

Mr. J. L. Haugh:

I was unable to compile a table showing amount of rent paid by produce merchants in Kansas City at this time, but am advised in general way that the aggregate paid at

this time will exceed rental suggested in new terminal. Within a few days I will have exact amount of rent paid by each merchant and will advise you.

The Packer Produce Red Book (issue of 1937) reports following about members of "committee" with which we have conferred.

Jasper DeMaria with DeMaria & Jansen, which is rated at $40,000 net worth. Established in 1904, business methods reported "good." Receivers, Distributors & Jobbers handling about 500 cars per annum, also l. c. l.

Jack DeFeo with DeFeo Fruit Company, which is rated at $60,000 net worth, business methods "fair". Receiver and jobber 1500 cars also l. c. l. Business established in 1900.

Sarser Brothers—I think the member of the committee first name is "Ike". Business established in 1912, reported net worth $15,000. Business methods "fair". Received & jobbed 150 cars.

Robert G. McKee with McKee & Company is a broker. Established in 1910, business methods "good". Reported net worth $5000. Brokers 400 cars per annum.

Alden Miller, *farmer* is fifth member of committee, and not rated.

Other people you have met but who are not on committee, follows:

Herbert Zeigler with Zeigler & Company. This firm started in business in 1914 and is now rated at $50,000, business methods "good". Receivers, jobbers & commission merchant handles 250 cars per annum, plus l. c. l.

Mr. Robinson with Robinson & Son. This firm is rated $8,000 net worth, business methods "fair"—established in 1916, receivers & jobs 400 cars per annum, also l. c. l.

Garrett, Holmes & Co. also called at the office. Rated at $30,000, business methods "good". Receivers & jobbers, handling 800 cars, also l. c. l. quantities of apples, peaches, pears, grapes, oranges, lemons, grapefruit, lettuce, carrots, cabbage, fruit, vegetables. The above is quoted to show how complete the information is.

Yukon & Son Produce Company, established in 1921, is rated at $15,000—handles 150 cars per annum.

Several names on petition have small ratings, but it appears according to the rating book that we have an average condition at K. C. Michael Swanson & Brady tops the list

with a rating of $250,000. Singer is rated at $100,000. Reich & Sons, $50,000.

After returning from Chicago, I will complete rating examination & also let you know amount of rent paid by each, if possible.

(Signed) G. E. Stanley.

At home Spt. 26th.

[fol. 97] (Copy)

October 2, 1937.

Personal

Mr. Paul S. Armstrong,
% Waldorf-Astoria,
New York City, N. Y.

Dear Mr. Armstrong:

This will confirm our appointment arranged by telephone today, for October 8th, Friday morning, ten o'clock at the Waldorf-Astoria.

I talked with Mr. Charles W. Irgang, this morning, who said that he would be glad to come, providing it was agreeable to you. Told him that I had talked with you about it and that it was agreeable. Accordingly. he said that he would be there. It was my understanding, too, that you would invite Mr. DeGeorgeio to be present.

The Kansas City market situation is entirely in a preliminary stage. The preliminaries have developed to the point that we now know it can be successfully accomplished, but before going ahead further, we would like your counsel; first, as to the desirability of a new wholesale market, and second, if it is desirable, then as to certain arrangements in connection therewith.

This is entirely on a confidential basis.

I will 'phone you about nine o'clock Friday morning, and if you wish, will be glad to see you before Mr. DeGeorgeio and Mr. Irgang arrive.

Yours very truly,
(Signed) J. L. Haugh.

[fol. 98]

Firm Name	Dealer or Broker	No. of Units Needed	When Established	Net Worth	Business Methods	Carloads	
DeMaria & Jansen	Dealer	2	1904	$40,000	Good	500	Receivers, distributors & jobbers
DeFeo Fruit Co.	"	2	1900	60,000	Fair	1,500	Receivers & jobbers
Sarser Bros.	"	1	1912	15,000	Fair	150	Receivers & jobbers
McKee & Co.	Broker	1 office	1910	5,000	Good	400	Brokers
Zeigler & Co.	Dealer	1	1914	50,000	Good	250	Receivers, jobbers & comm'n. merchants
Robinson & Son	"	1	1916	8,000	Fair	400	Receivers & jobbers
Garrett Holmes & Co.	"	2	(?)	30,000	Good	800	Receivers & jobbers
Yukon & Son Produce Co.	"	1	1921	15,000	(?)	150	(?)

Omaha, Nebr.
Oct. 5, 1937

[fol. 99] (Copy)

Omaha, Oct. 5, 1937.

Mr. G. E. Stanley:

Your handwritten letter of Sept. 26, regarding rent, and rating of perishable dealers:

Would like very much if you will furnish me list of the dealers who have signed the declaration, and their rating, something like the statement attached, which I have taken from your letter:

(Signed) J. L. Haugh.

[fol. 100] November 28, 1937.

Personal

Dear Mr. Breidenthal:

Am mighty glad to have your letter of Nov. 24, enclosing copy of a memorandum from Mr. Woodring, about the perishable market.

I take my hat off to you on the results that you accomplished.

I talked with Guy about the market, and understand he has also talked with you. We are in agreement that we should proceed immediately with drafts of the several contracts.

Am planning to be in Kansas City on Monday, and will see you then.

Am pleased that Guy is getting along so well.

With personal regard.

Yours sincerely,

(Signed) J. L. Haugh.

Mr. Willard J. Breidenthal
Riverside State Bank
Seventh & Central
Kansas City, Kansas.

cc—Mr. G. E. Stanley,

With Mr. Woodring's memorandum.

[fol. 101] Kansas City, Mo.,
December 15, 1937.

Mr. J. L. Haugh:

Attached is copy of self explanatory letter from U. S. Senator George McGill to Mr. Breidenthal, referring to

proposed P.W.A. aid for new food terminal in Kansas City, Kansas.

(Signed) G. E. Stanley.

[fol. 102] (Copy)

United States Senate
December 11, 1937

Mr. Willard J. Breidenthal, Riverview State Bank, Seventh and Central, Kansas City, Kansas

Dear Willard:

I am in receipt of the following quoted letter from the Honorable Secretary of War:

"I saw Under Secretary West after receiving your letter of December third in regard to the proposed P.W.A. project for a perishable food market at Kansas City, Kansas. Secretary West said that he would see the President about this application; however, I imagine the conference will be delayed because of business that has accumulated during the President's absence.

"When I obtain any information on this project I will be happy to forward it to you."

As soon as I have a further report, you will be informed.

Sincerely yours,
(Signed) Geo. McGill.

[fol. 103] (Copy)

Omaha, Dec. 16, 1937.

Mr. R. R. Mitchell:

I have noted Mr. Reed's letter of Dec. 13 about potato starch and about the perishable market at Kansas City.

The dealers in the old Kansas City, Mo. market are practically 100% planning to move to the new terminal and they think that when they have moved there that A. Reich & Sons will also have to move there, because of the improved facilities for concentration of buying by the retailers. Several of the large chains have also indicated that they will wish to move to this new perishable terminal. We are working on the proposition of getting the dealers from the old market, A. Reich & Sons and the chain stores.

I would like very much if Mr. Reed would talk with me occasionally about anything new he develops so that I can get his ideas, and that he can understand what we are striving to do, so that we can be pulling together.

(Signed) J. L. Haugh.

[fol. 104] Omaha, Dec. 31, 1937

Mr. J. A. Bennewitz:

It is important to push forward on the contracts for the new food terminal at Kansas City.

We are about in agreement now on plans and procedure.

(Signed) J. L. Haugh

[fol. 105] (Copy)

Union Pacific Railroad Company

Telegram

Omaha, Jan. 5, 1938

G. E. Stanley:

In preparing lease from city to Union Pacific for team yard would it be agreeable if, as rental for land, U. P. would agree to guarantee the excess required for payment of interest on bond issue for limited period of say thirty years, and from then on pay rental of one cent per square foot, which amounts to $10,760 per year.

What are the items and amounts that bonding company will accept as adequate for their purposes in fulfilling interest obligation? J-23

(Signed) J. L. Haugh.

[fol. 106] (Copy)

Union Pacific Railroad Company

Telegram

KC Jan 6, 1938

J. L. Haugh, Omaha

j 23. Referring to lease from city to Un Pac for proposed Team Yard tracks. I am unable to definitely say just how bankers will look upon the suggestion. I suggest that the lease be drawn as you want it and we can then try to sell the bankers on that basis S 111.

(Signed) G. E. Stanley

[fol. 107] (Copy)

Omaha, January 13, 1938

Mr. G. E. Stanley:

Attached is proposed farmers' lease on the public market.

This lease was not made conditional upon completion of the project as was done in the wholesale dealers' lease, although that is open for consideration, and it may be that the lease should also be made conditional, so that the signing up of leases could be started at once.

Please review and advise.

(Signed) J. L. Haugh

[fol. 108] (Copy)

Omaha, January 13, 1938.

Mr. G. E. Stanley:

Attached is draft of proposed wholesale produce dealers' lease.

1. This lease has been drawn up on the assumption that the leases will be signed before the construction of the market is undertaken. It will be necessary to have these leases signed up in sufficient number to assure success of the market before the city will be in a position to enter into the obligation of construction. Therefore, in the recitals it is stated that the "city proposes to construct" and in section 16, it is provided that "This agreement is conditioned upon the substantial completion of the food terminal project by the city within 18 months from the date hereof". The length of the period can be changed if desired and found preferable. I roughly estimate that it will probably take six months before actual construction will start and then within a year after that the project should be ready for use. Construction of the Jersey Creek sewer enclosure will probably take the most time of all.

2. Merely as a suggestion, the lease is drawn for a period of ten years. It seems to us that a longer period would require a revaluation clause, although it may be that the city will prefer to tie up these leases for the length of the term of the bonds, yet, if the leases were to be as long as thirty years, then unquestionably all of them during the course of their effectiveness, would be transferred from the

original dealers to successors because the term would be longer than the ordinary business life of a single perishable dealer.

3. In section 1 the description provides that the city leases a "unit consisting of a store-room on the ground floor * * * an adjoining enclosed platform, a mezzanine floor * * * and a basement room under said main floor space and platform". I question if the lease should include the enclosed platform, for the reason that this enclosed platform is also used by other dealers in trucking between their houses in the exchange of merchandise yet, other than this public concourse, the dealer will have the exclusive use for displaying his own merchandise. This is a matter than can be decided in conference with the dealers themselves.

4. In sections 1 and 2 are provisions for the inclusion of freight elevator and refrigeration. This draft is prepared so that these items will be correctly covered and not left in the agreement by inadvertence; that is, it could be unconditionally stated in section 1 that the city would install these two facilities and that if they were not to be installed, they could be crossed out with red ink at the time the contract was executed. There is always the danger, however, that these might not be crossed out, even though the rental in section 2 should be correctly inserted.

[fol. 109] 5. The rental in section 2 should be sufficient to cover interest and amortization on the entire project including cost of pavements, house tracks, inclosing of Jersey Creek, sewers, water lines, gas lines and all other costs accruing to the city, plus all operating expenses. Included in operating expenses should be the special police and the special street cleaning force. That should be estimated sufficiently liberal so that there will be no loss to the city in the event of an increase in wages or an increase in the force required.

It is preferable to include the policing and street cleaning because that will avoid additional billing from month to month if such cost is apportioned on top of rental. It will avoid disputes between the tenants and the city, and develop a more harmonious relationship.

6. Section 5 provides that the city will establish uniform rules and regulations for the management, control and op-

eration of the food terminal. This is necessary, but in addition to that there should be an association of dealers who will establish and supervise rules and regulations for conducting their own business, and who will recommend rules and regulations to be established by the city and from time to time changes in such rules and regulations.

7. Section 6 covers the industrial track feature that will also be included in the Union Pacific agreement with the city.

Please review this and favor me with any suggestions.

(Signed) J. L. Haugh

[fol. 110] (Copy)

Omaha, Jan. 27, 1938

Mr. Jeffers:

At Kansas City, yesterday, I had a meeting with Mayor McCombs, City Commissioner George Darby, City Attorney Skinner, Willard Breidenthal and Guy Stanley, about the market proposition.

Mr. Breidenthal reported that on his last visit to Washington he continued to press for a P. W. A. grant, but from the information that he gained no such grant would be forthcoming because the Administration had discontinued grants and was planning to turn over all loan matters to the R. F. C. and make only loans without grants. I then told the commission that the proposition was feasible without a grant and that our contract with the dealers and the farmers brought out that they were eager to have a market; that there seemed to be a popular demand throughout the city for it and that we were ready to help if they wanted to go ahead, but that before getting into it any deeper it was necessary that we have something definite from the city commission as to whether each of the commissioners would support it 100% because we wanted unanimous concurrence. There are three city commissioners, Donald McCombs, the mayor; Henry Schaible, and George Darby.

The mayor, who is very strong politically, is enthusiastic about the market. Henry Schaible is also eager for the market. George Darby has been holding back. He would not accompany the party on two trips that were made to the eastern markets last fall. He has given no reason for holding back. The principal purpose of the meeting yester-

day was to bring him into line. Mr. Schaible was unable to be at the meeting yesterday.

The commission will have their regular weekly meeting today. George Darby suggested that this matter be again brought before the meeting today, and then they would reach a decision upon it. Mr. Stanley and Mr. Breidenthal will be at the meeting, and I am satisfied that they will want to go ahead. They are to let me know, and if they do want to go ahead I will be in Kansas City practically all of next week helping to make preliminary arrangements.

This market is to be built, owned and operated by the city, and accordingly the city will have to front for it, and it will require their unanimous support. They do not have the time, the information or the routine for handling the multitudinous details that are required to get the thing set up and contracts let. Mr. Stanley and I will have to do this for them subject to their concurrence and approval.

Mr. Stanley thinks that some additional legislation will be advisable, and this will be undertaken at the special session, which Governor Huxman is calling for Feb. 7.

[fol. 111] According to our present figures, the city's portion of the market will cost about $2,000,000. The rentals from all of the improvements on the Public Levee will pay the interest and amortize the bonds in about 15 years; putting it another way, the net income will be sufficient to pay the interest and the necessary amount for amortization on 30-year basis, plus about $125,000 per year surplus, which surplus will be used for added amortization.

(Signed) J. L. Haugh

[fol. 112] (Copy)

Omaha, Jan. 28, 1938.

Mr. J. A. Bennewitz:

Referring to the attached contract:

The city of Kansas City, Kansas, now proposes to construct a perishable food terminal south of Jersey Creek in such a location and along such plans that track "D" to "E" will be in the way and cannot be built. In lieu thereof, the city would like to have built a track laying to the south and east of track outlined "C" to "F."

I have in mind that the city attorney would call a meeting of the two railroads, and advise them of the city's plans,

and ask the two railroads to agree to the revised plan of trackage.

Will appreciate your review of the contract and advice if this would be the best way of working out the arrangement.

I anticipate that the Missouri Pacific will not be particularly well pleased with it, and may even offer strenuous objections.

(Signed) J. L. Haugh.

[fol. 113] (Copy)

February 4, 1939.

Personal

Mr. J. T. H. Armstrong, Assistant General Manager, Pacific Fruit Express Company, Chicago.

Dear Mr. Armstrong:

I talked with you, a few months ago, about having Mr. Gannon give us some help at Kansas City. Mr. Gannon has been at the Cleveland perishable terminal long enough to absorb a good deal of information about it.

Would like to have him study the Cleveland market, particularly with respect to:

(a) Rules and regulations that are used by the market association.

(b) The handling of the leases and other matters by the terminal company.

(c) The zoning and other provisions afforded by the city.

I think we will be wanting Mr. Gannon to be transferred to Kansas City, temporarily, to help get matters properly started there.

The city has decided to proceed with the market, providing all general arrangements can be successfully made.

It is not necessary for Mr. Gannon to come now. I will advise later when that will be.

You may have someone else in mind who is better qualified for this than Mr. Gannon. I spoke of him because the city commissioners seemed quite impressed with him when they visited Cleveland.

There should be no commitment or even any impression

given that Mr. Gannon may be permanently located at Kansas City. That is something that may or may not develop. (Signed) J. L. Haugh.

bc—Mr. G. E. Stanley (personal)

[fol. 114] (Copy)

Los Angeles, February 8, 1938.

Mr. Charske:

Attached, for your information, is Mr. Haugh's memorandum of February 4th concerning the Kansas City Food Terminal:

Mr. Haugh is devoting practically all of his time to this development. W. M. Jeffers.

[fol. 115] (Copy)

Guaranteed Annual Rentals City Owned Grain Elevator
Kansas City, Kansas

Executed 30 year leases with city to cover, as follows:

Hart-Bartless-Sturtevant Grain Co	$52,932
Federal Barge Line	9,000
Board of Public Utilities	5,200
Union Pacific and Missouri Pacific for trackage east of Minnesota avenue	3,000
Kaw Steel Construction Company	110
T. E. Hughes	100
K. C. Box and Basket Company	50
	70,392
Average Guarantee by UPRRCo.	10,000
(This guarantee terminates automatically when rentals from other sources exceeds $80,000, and when specific loan from P. W. A. is taken up.)	
Total	$80,392

Omaha, February 14, 1938.
LHS.

[fol. 116] (Copy)

Union Pacific Railroad Company
Omaha, Nebraska

February 19, 1938.

W. M. Jeffers, President; Mr. F. W. Charske, Chairman Executive Committee, New York.

Dear Mr. Charske:

In the development of the general plan and financing of the Fairfax Bridge across the Missouri River the Union Pacific advanced the actual expenses of the Mayor, City Attorney and others on trips to Washington and St. Louis where the proposition was kept before the Reconstruction Finance Corporation and its agencies until it was finally approved and the R. F. C. furnished the money with which to build the bridge on a self-liquidating loan. It was understood that the city would reimburse the Union Pacific when the loan was secured. The total expenses advanced amounted to approximately $10,000. The necessity for these advances arose from the fact that the city does not have any money which it can use for this purpose. It is under a strict budget law, and unless amounts are included in the budget, they cannot be spent. The full amount of these advances on the Fairfax Bridge was reimbursed, and the Union Pacific was made whole.

In connection with securing P. W. A. loan and grant on the grain elevator, the Union Pacific has advanced similarly for preliminary expenses in about the same amount, that is, approximately $10,000. In this case the P. W. A. scrutinized every expenditure, and would not allow these advances to be taken out of the P. W. A. loan or grant; neither would they allow certain attorney's fees, which the city had expected to pay. The city still owes the Union Pacific the $10,000, and is willing to pay, providing it can find a way to do it.

Similar advances were made for the payment of expenses on trips to Washington to secure P. W. A. grant for the proposed new food terminal. These advances have, so far, totaled approximately $3,000.

It is probable that the grant will not be received. The project is feasible, however, without a grant, and we are now working along on that basis. The city has formally de-

clared its intention to proceed with the construction of the terminal; has employed engineers and architects and agreed upon the fee to be paid, contingent upon the successful leasing and financing of the project. The city has also agreed to employ Mr. Joseph DeOreo and Mr. William Fean as lease agents, their fee to be contingent upon the successful financing depends upon the successful leasing. The leasing must be done in advance, and it is to the Union Pacific's interest that it be complete before Union Pacific makes any guaranty.

[fol. 117] Mr. DeOreo and Mr. Fean have been in Kansas City for fourteen months on their own expense, and have advanced between two and three thousand dollars of their own money to pay the expenses of farmers and merchants, incidental to promotion of the project.

It may take three or four months time within which to get leases signed by farmers and merchants on the proposed terminal. It will be necessary for the agents to take a number of the merchants, 15 to 20 or more, to see the Cleveland and Buffalo terminals in order to help in making the leases. It is estimated that advances, from time to time, during this period, will total five to six thousand dollars.

The city would advance the money if it were available, but inasmuch as the arrangement is contingent upon going forward, it cannot advance the money until the plan is declared operative. The only one who can advance the money is the Union Pacific.

If the Union Pacific will advance the money, the city is agreeable to the following:

1. The amount advanced for preliminary expenses in connection with the grain terminal, approximately $10,000 plus the amount already advanced on the food terminal, approximately $3,000, plus the amounts still to be advanced, $5,000 or $6,000, will be repaid to the Union Pacific out of the funds received from the sale of revenue bonds.

2. In the event that the food terminal project is not consummated, then the Union Pacific will be reimbursed for the $10,000 advanced on the grain elevator project from the rentals that the Union Pacific is obligated to pay for lease of trackage serving the grain elevator.

This agreement would reimburse the Union Pacific for all its preliminary expenses in the event the food terminal is

undertaken, and in the event it fails Union Pacific would be out-of-pocket only the amount advanced on the food terminal itself, which would be eight or nine thousand dollars.

This is a project of such magnitude and is so great a traffic advantage to the Union Pacific that I believe we are warranted in advancing the money.

Before proceeding further, I would like your approval. I recommend that it be approved.

Yours very truly, (Sgd) W. M. Jeffers.

[fol. 118] Memorandum

of

Meeting of Kansas City Food Terminal Committee

February 19, 1938.

Present: J. J. DeMaria, Jack DeFeo, Harry Robinson, S. Yukon, Ike Sarser, all being members of committee to establish new food terminal for Greater Kansas City.

S. Sharp, representing architects and engineers; G. E. Stanley, representing Union Pacific Railroad, and Joseph DeOreo, representing the City.

Proposed form of lease was examined and discussed.

It is unanimously agreed that the proposed new terminal should be exclusively used for wholesale jobbers, dealers and brokers and that retail market should be discouraged and prohibited on this tract of land.

The Committee agreed that the best name for the terminal is "Kansas City Food Terminal."

After discussion of a proper numbering system for dealers units, it was agreed that the street practice of putting even numbers on one side and odd numbers on the other should be followed. The twenty units in the southwest building would be designated by even numbers from 100 up to 140. The building located on the southeast corner of the group would be designated by odd numbers from 101 to 141. The building located at the northwest corner of the group would be designated by even numbers from 200 to 240 and the northeast building would be designated by odd numbers from 201 to 241. The committee believes that it would be confusing to designate buildings A, B, C and D.

The Committee agreed that there is no suitable produce and dealers association in the present Kansas City market and that a good association should be formed to promote best trade practice and interests of the market. At the present time the North Side Improvement Association, headed by Turney Gratz, Secretary, has established what is known as the Produce Dealers Division. This was brought about by the labor strike about one month ago. The dues in the North Side Improvement Association are $25.00 per annum but the trade is solicited for more liberal support.

The Committee desires a new association to be organized and called "The Kansas City Food Terminal Association." The membership in this association must be limited to lessees or operators in the new food terminal. It is further agreed that in order to be effective and of service to the dealers, a full time secretary or manager should be employed, whose duties would consist among other things, of the following:

(a) To enforce rules and regulations to be adopted by the association.

[fol. 119] (b) To collect service charges from dealers for cleaning and special work.

(c) To give orders to the railroads serving the terminal for spotting cars on tracks, bearing in mind that the utmost convenience of the dealers should be served and at the same time that the railroad company serving the market cannot be expected to take orders from all of the unit holders or give service that is not practical from a railroad operating standpoint.

(d) To do such other and further things as may be fixed by Board of Governors or Directors of the association.

The Committee desires that all rules and regulations be made a part of the lease. These rules and regulations will be subject to change from time to time and the dealers desire to work out some form of representation that is equitable and fair to every one as they want to control the rules and regulations governing the market and provide method as to how same may be changed and modified.

It is planned to invite into the association, farmers, cold storage, butter and egg men, concessionaires and everybody doing business and operating on the market.

Referring to Section 13 of proposed lease, it is the opinion

of the Committee that the proposed Kansas City Food Terminal Association and not the City should pass on the assignment of any lease.

The Committee fixed Sunday, March 6th, as the date to leave Kansas City to inspect the terminals at Chicago, Cleveland and Buffalo. The Committee further agreed that the inspection party be confined to fourteen wholesale produce dealers and Mr. DeOreo.

The Committee desires to have lease forms ready when trip starts and expressed view that execution of leases should be expedited and also that construction of new facilities should likewise be hastened as much as possible.

(Unsigned).

[fol. 120] (Copy)

Omaha, Feb. 26, 1938.

Mr. G. E. Stanley:

In connection with securing PWA loan and grant on grain elevator, the Union Pacific has advanced to the city of Kansas City, Kansas, for preliminary expenses $11,034.25, which has not been repaid and which, I understand, the city is willing to pay providing it can find a way to do it.

Similar advances were made for the payment of expenses on trips to Washington to secure PWA grant for the proposed new food terminal. These advances have, so far, totaled approximately $3,000.

The city has agreed to employ Mr. Joseph DeOreo and Mr. William Fean as lease agents, their fee to be contingent upon the successful leasing and financing of the project. The successful financing depends upon the successful leasing.

Mr. DeOreo and Mr. Fean have been in Kansas City for fourteen months on their own expense, and have advanced between two and three thousand dollars of their own money to pay the expenses while there.

It may take three or four months to get leases signed by farmers and merchants on the proposed terminal. It is advisable for the agents to take a number of the merchants, 15 to 20, to see the Cleveland and Buffalo terminals in order to help in making the leases. It is estimated that advances, from time to time, during this period, will total about $5,000.

The city would advance the money if it were available, but inasmuch as the arrangement is contingent upon going

forward, it cannot advance the money until the plan is declared operative. The only one who can advance the money is the Union Pacific.

The Union Pacific is willing to advance the money, providing the city will agree to the following:

1. The amount advanced for preliminary expenses in connection with the grain terminal, $11,034.25, plus the amount already advanced on the food terminal, approximately $3,000, plus the amount still to be advanced about $5,000, will be repaid to the Union Pacific out of the funds received from the sale of revenue bonds.

2. In the event that the food terminal project is not consummated, then the Union Pacific will be reimbursed for the $11,034.25 advanced on the grain elevator project from the rentals that the Union Pacific is obligated to pay for lease of trackage serving the grain elevator.

Will you kindly arrange, therefore, with the city, and also develop with them the method for handling this advance.

(Sgd.) J. L. Haugh.

[fol. 121] (Copy)

Alonzo H. Gentry, VosKamp & Neville,

Architects

Kansas City, Mo.,
February 26th, 1938.

Mr. Guy Stanley, Union Pacific Railroad, Railway Exchange Building.

Dear Mr. Stanley:

We are enclosing a revised estimate of the Food Terminal in Kansas City, Kansas, and wish to call to your attention certain pertinent facts concerning this estimate.

We are taking from the old estimate the same number of buildings and service charges so that it can be compared with the new estimate, and the cost of these buildings was given at that time as $1,010,949. Since that time, upon the suggestion of various people interested in the project, the physical characteristics of the buildings have been changed to wit: The introduction of a mezzanine which added 25% more floor area and increased the total cubage of each unit,

because of the fact that each unit necessarily to accommodate the mezzanine, had an increased vertical height.

You will also recall that in the early estimates, the fill was being made, and it was discussed at that time whether or not the foundations might not be placed and the fill deposited around them, thus saving excavation. Also at that time, all available data indicated that the ground would have a compressive strength to have a sufficient coefficient of safety to allow for the elimination of piles. Since that time more accurate data has been obtained, which shows that the underlying strata is spotty, and that the use of piles are necessary.

The additions of piles, excavation and additional cubage, including the mezzanine, accounts for the difference in the two estimates, and as a matter of fact, this estimate shows the buildings to be of less cubic foot cost than the originals. Should we be fortunate enough to proceed with working drawings immediately and get these buildings out for bid, we undoubtedly would be in a position to avail ourselves of a buyer's market and in all probability be able to save a considerable part of the coverage, as shown in this estimate. This statement is based upon actual cost data from jobs that we have out for bid at the present time. All work under bid at the present time shows a downward trend, due principally to material men and concerns bidding off of inventory. Labor is about the same, perhaps slightly higher, but more efficient.

Yours very truly, Alonzo H. Gentry, VosKamp & Neville. (Signed) Alonzo H. Gentry.

[fol. 122] (Copy)

Alonzo H. Gentry, VosKamp & Neville

Kansas City, Mo.
February 26th, 1938.

Resume of Estimated Costs for
Construction of Buildings only
Kansas City Food Terminal

	Cost per Unit
Unit #1—1 story bldg.	$274,595.00
Unit #2—1 story bldg.	274,595.00
Unit #3—2 story bldg.	391,996.00
Farm Markets	18,500.00
	$959,686.00
Architectural and Engineering fees and contingencies for the above buildings only	$ 95,968.00
Total	$1,055,654.00

Note: Included in above figures are total construction costs, contractors overhead and contingencies, liability and other insurance, social security and sales tax, estimated contractors profit and bond.

Elevators and refrigeration equipment are not included above.

AHG/c

[fol. 123] (Copy)

Kansas City, Missouri,
February 26, 1938.

Mr. J. L. Haugh:

As promised in my wire to you, I am transmitting herewith new estimate prepared by Mr. Gentry's office. A copy has been made for my file so you may retain this letter.

You will note that the farm market buildings are estimated at $18,500 which is some less than the original estimate, but I asked Gentry's office for a recheck on that item and they said that the amount was ample.

(Signed) G. E. Stanley.

[fol. 124] (Copy)

Alonzo H. Gentry, VosKamp & Neville
Architects

Kansas City, Mo.,
February 28th, 1938.

Resume of Estimated Costs for
Construction of Buildings only
Kansas City Food Terminal

	Cost per Unit
Unit #1—1 story bldg.	$274,595.00
Unit #2—1 story bldg.	274,595.00
Unit #3—2 story bldg.	391,996.00
Farm Markets (2120 Lineal Ft. @ $34 in lift)	72,080.00
	$1,013,266.00
Architectural and Engineering fees for the above buildings only @ 6%	$ 60,795.96
Total	$1,074,061.96

Note: Included in above figures are total construction costs, contractors overhead and contingencies, liability and other insurance, social security and sales tax, estimated contractors profit and bond.

AHG/c

[fol. 125] (Copy)

Alonzo H. Gentry, VosKamp & Neville
Architects

Kansas City, Mo.,
February 28th, 1938.

Mr. J. L. Haugh:
Union Pacific Railroad
Omaha, Nebraska.

Dear Mr. Haugh:

Due to conditions beyond my control, I was not in my office on Saturday when the resume of estimated costs for the construction of the buildings for the Kansas City Food Terminal were mailed. I find that this resume should have certain corrections.

For instance, item 4, Farm Markets, was based on 540

lineal feet. This is incorrect and should be based on 2120 lineal feet.

Also there was a misunderstanding concerning contingencies which were included in architectural and engineering fees and which should be deducted. Therefore, the enclosed resume is corrected.

Yours very truly, Alonzo H. Gentry, VosKamp & Neville, Architects, Inc. (Signed) Alonzo H. Gentry.

AHG/c

[fol. 126] PLAINTIFF'S EXHIBIT No. 5

President's File No. 912

Volume 4

[fol. 127] (Copy)

Kansas City, Missouri
March 1, 1938.

Mr. J. L. Haugh:

Enclosed you will find twelve photostatic copies of proposed Kansas City Food Terminal.

I obtained one hundred copies and they are being distributed in the market. W. L. Huggins of the Frisco called for five copies and we will probably have demand from other railroads.

Please let me know if you need an additional supply.

(Signed) G. E. Stanley.

[fol. 128] (Copy)

Union Pacific Railroad Company

Telegram

Mail gram

Omaha, Mar. 3, 1938.

Mr. R. R. Mitchell:

Will appreciate it if you will arrange to have Mr. Weedin accompany the party of perishable merchants, leaving Kansas City, Sunday, for a trip to the fruit and vegetable markets at Chicago, Detroit, Cleveland and Buffalo.

It will be necessary to pay the expenses of this trip, and I am arranging to have the cash placed in Mr. Weedin's hands, Saturday, to pay the expenses of the trip.

I will be in Kansas City, tomorrow, Friday, and talk with him more fully about it.

J. L. Haugh.

[fol. 129] (Copy)

Union Pacific Railroad Company

Telegram

Omaha, Mar. 5, 1938.

W. H. Benham,
Union Pacific Railroad Co.,
1006 Terminal Tower Bldg.
Cleveland, Ohio.

Unit. Mr. Weedin and Mr. DeOreo will accompany party of about twenty food and perishable merchants from Kansoy to Cleveland and Buffalo. They will arrive Buffalo early Tuesday morning and then return to Cleveland Tuesday evening so as to be at Cleveland auction Wednesday. Will appreciate your cooperation.

J. L. Haugh.

[fol. 130] (U. P. Road Haul Only)

Jasper J. De Maria	(52 cars)	De Maria & Jansen
Jack DeFeo	(57 cars)	DeFeo Fruit Company
Si Yukon	(120 cars)	L. Yukon & Sons
Harry Robinson	(112 cars)	A. Robinson & Sons
Ike Sarser	(10 cars)	Sarser Produce Company
Frank De Marea	(16 cars)	N. De Marea & Sons
Hime Widlansky	(0)	Quality Banana Company
Richard Mills	(0)	Mills Produce Company
Max Winnick	(17 cars)	Winnick Bros.
Sam Litman	(204 cars)	Litman Produce Company
Joe D'Angelo	(0)	D'Angelo Celery Company
Nick Arcuri	(0)	Palermo Produce Company
Herbert Zeigler	(43 cars)	Zeigler & Company
Joe Antonello	(9 cars)	Supreme Celery Company
Phil Pisciotta	(2 cars)	Pisciotta Fruit & Veg. Co.
C. E. Marshall	(80 cars)	O. C. Evans Company
Walter Reich	(215 cars)	A. Reich & Sons
Joe DeOreo		

(Weedin)

(Gandy)

(Mr. Haugh: Weedin says that above does not reflect all business handled by these people and does not disclose cars bought from brokers and shipped via U.P. Gandy informs me that this is good group of merchants. G. E. S.)

Special Agent's Note: Material within parenthesis appears either in pencil or ink on file copy of this list.

[fol. 131] (Copy)

Union Pacific Railroad Company

Telegram

Omaha, Mar. 5, 1938.

G. E. Stanley, Kc

Because of lower rental paid by grain elevator for first ten years and because of increase above estimate in real estate commission rate, it will be necessary to make new set-up of operating income, and it looks as though it will be necessary to increase rentals of merchants' units to $200 per month plus cleaning and policing. At least, do not believe we are safe now in saying that rentals can be as low as $175 per month.

Kindly talk this over with agents and advise.

Please compare last estimate I sent you with the set-up in last Nicolaus proposal. J-19.

(Signed) J. L. Haugh.

[fol. 132] Union Pacific Railroad Company

Telegram

Chicago Mar 7 38

JLH RRM OMA GES JWM KC

JT JLH RRM GES JWM. Only 15 Produce Men In Group Including Jasper De Maria, Jack DeFeo, Si Yukon, Harry Robinson, Frank De Marea, Heinie Widlansky, Richard Mills, Joe De Angelo, Nick Arcuri, Herbert Ziegler, Phil Priscrotta, C E Marshall, Walter Reich, Joe De Oreo, Gandy Will Report Further Today On Progress

CC Weedin

Priscrotta Gandy

[fol. 133] (Copy)

Omaha, Mar. 18, 1938.

Mr. Jeffers:

Attached are clippings from the Kansas City Times regarding the proposed market that Judge McElroy is planning to construct on the site of the old market in Kansas City, Missouri.

These clippings show a plan of the proposed market and a picture of a model that was made by two 18-year-old Kansas City boys.

The building, known as the retail market, is expected to be started first, and is about all that the city still has money to provide for.

Am attaching also a blueprint showing the general location of this proposed market. It is not served by trackage, except the Kansas City Southern team yard near Second and Wyandotte Streets.

The land upon which it is to be built is very irregular in elevation. There is a 29-foot drop from the north end of the buildings to the south end, and a 10-foot drop from the east end of the buildings to the west end.

The facilities are cramped, and if it all should be built it will be almost impossible for trucks to maneuver about.

Am also attaching copy of the proposed lay-out and plan of the Kansas City Food Terminal, which we are working upon. Prints similar to these will be attached to each of the leases with the merchants, who take space in the terminal.

One of the building plans is of the two-story and basement building. In this building, the second story is used for offices that are entirely disconnected from the stores on the first floor. The second-story offices will be used by brokers and others who have business directly connected with the terminal, but do not require store space, such as Western Union and Postal Telegraph service. Each of the stores on the first floor will have its own office on a mezzanine floor, and will have direct stairways to the basement. Elevators will also be provided to merchants upon request, at an additional rental.

There are to be three-one-story and basement buildings, similar in every respect to the two-story building except that there will be no second-floor offices.

There were 15 of the Kansas City perishable merchants who were on the trip visiting the perishable terminals at Chicago, Cleveland, Buffalo and St. Louis. They returned very enthusiastic about the new terminal at Kansas City, Kansas.

The next job is to get the merchants to sign leases on the city facilities.

(Signed) J. L. Haugh.

[fol. 134] (Copy)

Omaha, Mar. 24, 1938.

Mr. Jeffers:

We had an open meeting of the produce merchants at Kansas City, Tuesday afternoon and evening. They met at the airport administration building at four o'clock, then went to the site of the proposed food terminal, and returned to the airport administration building for dinner.

There were present a total of 87, of which about 60 were produce merchants.

The meeting was called at the instance of a committee of five of the produce merchants. The program was started by Jasper DeMaria, who was chairman of the committee. He then turned the meeting over to Mr. E. H. Gandy, who was in the produce business 37 years, and is now a banker in Kansas City, Kansas. Mr. Gandy is on the citizen's committee. He handled the meeting very well.

Mayor McCombs made a very fine talk, giving unqualified assurances that the city would support the project and that it would permit the produce merchants to make their own rules and regulations and operate the market through an association that they might form.

I followed the mayor, and explained that the Union Pacific, being the largest railroad handler of perishables in Kansas City, was interested in seeing the trade concentrated and housed in the most economical handling facility possible; that this terminal had been planned after the study of all other important terminals in the United States, and that profiting by their mistakes, this would be the best equipped one to be built.

Mr. William Garfutt, Vice President of the Standard Fruit and Steamship company, with headquarters at Chicago, was the next speaker. Mr. Garfutt, for years, was secretary of the Fruit Jobbers' Association. His present company is a large handler of bananas, being second only to United Fruit. Mr. Garfutt told of the necessity to the industry of having a concentrated, economical facility, such as was now planned at Kansas City.

Following these talks, the meeting was thrown open for discussion, and there were a number of short talks from the floor.

It was decided that it would be advisable to have further

meetings of the same kind in order to bring closer together the viewpoints of the merchants.

The merchants seemed to have the same opinion—that the market would be a success if 75 or 80% of the merchants would move, but they were afraid of a split market; i. e., if half of them would stay and the other half move, there would be a loss. We could see from this that it is going to be necessary to work out a scheme whereby the mer-[fol. 135] chants will sign their leases, and that the leases so signed will be contingent upon at least three-fourths of the trade moving. Even with this arrangement, it will still be hard to get many to sign up, who may fear reprisals from the present Kansas City, Missouri administration.

The merchants think it best to form an association which will take over the operation and management of the market. This will be an association of merchants, in which the farmers will be represented, which will have a board of governors; will employ their own market manager, and establish their own rules, regulations, policies and practices in the terminal. In order to get their ideas more closely together on this, it will be necessary to have further meetings.

The merchants also were decidedly of the opinion that it would be essential to have a successful farmers market in order that the wholesale merchant's market can exist properly.

The farmers were not invited to the meeting, because this was entirely to obtain the attitude of the merchants. It will be necessary to have a meeting of the farmers in order that they too can form an association and elect representation on the board of governors of the terminal association.

New ideas were secured for the form of lease between the city and each merchant. This is now being put into form so that work can be started in getting the necessary commitments.

Business conditions are none too good, and as a consequence progress is slower than it would be if times were better. However, we cannot hold off because Kansas City, Missouri has already started razing the site for one of the proposed buildings, which is marked on the plan "retail produce building".

The city election in Kansas City, Mo. will be the 29th of this month, and that too has a bearing on the progress.

(Signed) J. L. Haugh.

[fol. 136] (Copy)

Omaha, March 24, 1938.

Mr. G. E. Stanley:

I have made another revision in the set-up for the Kansas City Food Terminal, and attach herewith revised sheet 3. The revision is to include the rental from the grain elevator in the assured rentals. While Stifel-Nicolaus & Co. are reluctant to include this, it seems to me that, with the set-up as we now plan including rentals, at 219,256 per annum, the project is sufficiently meritorious to practically stand upon its own.

If the Union Pacific should agree to pay a maximum rental of $40,000, that certainly should be sufficient so that the city will be able to sell the bonds satisfactorily.

I have not yet revised page 4 to accommodate the proposition of the merchants handling the market entirely at their own expense through an association. If this is done, then the rentals will be reduced and expenses will also be reduced to offset.

(Signed) J. L. Haugh.

[fol. 137] (Copy)

Kansas City, Missouri, March 24, 1938.

Mr. J. L. Haugh:

Messrs. Armstrong and Walter remained in Kansas City yesterday and today because the merchants wanted to talk to them about the proposed food terminal. They have been a tremendous help to the project.

Today noon I arranged a luncheon which was attended by Messrs. Armstrong, Walter and Fryer of the P. F. E., also Messrs. Cahill, Weedin, Peters, Horn, Gaskill, Christ, Alexander, Bigson, Higgins, True and Myself. Every feature connected with the terminal was clearly discussed and it was agreed that everybody connected with the Union Pacific should get active for the new terminal and that from now on we would take an open position.

Everybody seems confident that we can get this terminal and in addition to carrying on some of the details connected with it, I am also working on the leases and will send you some proposed provisions not later than Saturday of this week.

(Signed) G. E. Stanley.

[fol. 138] (Copy)

Kansas City, Missouri, March 25, 1938.

Mr. J. L. Haugh:

As a matter of record, I wish to answer your letter of February 26th, about Kansas City, Kansas reimbursing us for necessary preliminary expenses on both public levee and food terminal.

The same matters were discussed with you over the telephone and you were advised that Mayor McCombs thought it would be embarrassing for him to enter into any arrangement at this stage about reimbursing the Union Pacific. He is not personally adverse to the suggestion but views the matter entirely from a public policy standpoint and the fact that such an arrangement would endanger the whole project. Following my talk with Mayor McCombs and Mr. Breidenthal, you advanced $2,000 for which I have furnished receipts and the entire amount was turned over to Messrs. Fean and DeOreo to pay the expenses of recent merchants trip to eastern food terminals. It was agreed that this money would be returned to us by Fean and DeOreo out of thier commission provided the food terminal was constructed.

Inasmuch as the prospects are very good to put this food terminal over, and it will even justify the expenditure of a further sum of money, which I roughly estimate at $3,000, I think we should concentrate on making the food terminal possible and concurrently with the financial arrangement secure a definite agreement from the city to reimburse us for all of our advances, including the sum of $11,034.25 that was advanced on the elevator project.

Everybody connected with the Union Pacific at Kansas City are heart and soul for obtaining the food terminal and they all agree that it is the biggest project that was every attempted by the Union Pacific at Kansas City and are working hard to help out. Mr. Cahill has already taken the matter up with the Boosters Organization and it will do everything possible to help. We have many employes in Kansas City, Kansas and they can be helpful in many different ways.

(Sgd.) G. E. Stanley.

[fol. 139] (Copy)

Omaha, April 7, 1938.

Mr. Jeffers:

Relative to Kansas City Food Terminal:

Form of lease between perishable merchants and the city has been completed and approved by the city.

A committee of the merchants is securing execution of the leases by the several merchants. They execute only one copy, and that copy is held in the safe of one of the members of the committee so that the names of the signers are not made public. This is necessary because they fear reprisals from the city of Kansas City, Missouri in the event the names of the signers become known.

Twenty-three of the seventy-nine units were actually leased as of last night. It looks as though leases will be completed this week on forty units.

Thoese who are executing the leases are known to us and they are the most important dealers in the market. No leases are being made to any who are not carlot shippers. As soon as a sufficient number of leases have been signed to insure success of the move, then if there are any hold-outs, the names of the lessees will be made public, and this will make it necessary or advisable for any remaining hold-outs to join in the procession.

(Signed) J. L. Haugh.

[fol. 140] (Copy)

Kansas City, Missouri
April 8, 1938

Mr. J. L. Haugh:

Leasing of market stalls continue on confidential basis and all leases are being filed with Jasper DeMaria and Mr. Yukon. Up to the present time 24 units have been taken, as follows:

DeFeo Fruit Company 4 Units

Mr. DeFeo stated that he is taking 1 for Fishman and another unit for an undisclosed party.

Sarser Brothers	2 Units	L. Lukon & Co.	2 Units
Henry Baum & Co.	1 "	D'Angelo Celery	
Fankenberg	1 "	House	1 "

DeMaria & Jenssen	2 Units	Robinson & Sons	2 Units
L. Gordon	1 "	Frank DeMaria	2 "
Wullansky	1 "	L. Dryer	1 "
		J. DeOreo	2 "

He claims this is for an undisclosed Cleveland merchant.

In addition to the above, Mallin Produce Company is interested in 2 units. Late yesterday Herb Ziegler called at the office and wanted us to confidentially reserve 2 units for him but stated that he did not want to sign a lease at this time. Mr. Ziegler made a selection of the units that he wanted.

Mike DeFeo has definitely promised to take 1 unit. We have turned this lease over to Ed Fryer and requested him to assist in obtaining the signature of Mr. DeFeo.

In addition to the merchants above mentioned, the following are prospects for units set opposite their names:

Winer & Wycoff	1 Unit	Litman Produce Co.	2 Units
Garrett-Holmes & Co.	2 "	Mills	1 "
Marshall with C. C. Evans	2 "	Wm. F. Helm	1 "
		A. Reich	0 "

Michael, Swanson & Brady advise that they want a separate building, because they sell entirely to wholesalers and stated that it would be inadvisable for them to have a building in the produce row as they do not sell to the retail merchants. They want a track on both sides of their building. A location north of the pump house should be suitable for these people.

In addition to the above, there are small firms like Pisciotta, Curi and others that want one-half units. There will probably be 5 or 6 such outfits.

It is demonstrated, in my judgment, that the two buildings facing on Minnesota Avenue and containing 39 units can be fully leased. The produce merchants want to be in one row and suggest that allied stores be located on the opposite side of the market street.

(Signed) G. E. Stanley

[fol. 141] (Copy)

Kansas City, Missouri,
April 8, 1938

Mr. J. L. Haugh:

Mr. Lewis Mallin, of the Mallin Produce Company called me by telephone yesterday advising that he wanted to talk to me "in the private". He is the big apple man of Kansas City and is the outstanding user of cold storage space.

I took Mr. Mallin to lunch today, when he showed me receipts from U. S. Cold Storage Company. He has paid that company from $4,000 to $5,000 per month for storage of apples, beginning in November and extending over a period of six or seven months per year. Mr. Mallin confidentially informed me that the U. S. Cold Storage Company is a detriment to the Kansas City Market; that it is burdened with high salaries and excess overhead and that he has made up his mind that if a moderate cold storage plant could be built on the public levee that he would be interested in leasing and operating it.

I put Mr. Mallin in direct touch with Mr. Gentry in order that some of his ideas could be worked out and a rough estimate of the cost could be made. In that way we can find out if he is seriously interested in the operation.

Mr. Mallin has examined the sketches and said that the cold storage plant should be almost square with tracks inside and to one side as indicated on attached pencil sketch. He also thought it would be advisable to build a poultry unit adjoining the cold storage, identified by A and B on the attached sketch. He states that it will be practical to furnish refrigeration for the basements of the poultry section and also possible to furnish refrigeration to other buildings. While he has never operated a cold storage plant, he appears to be very familiar with such an operation and is reputed to have abundant capital. Mr. Mallin is Jewish. He is 42 years of age and appears to be a forceful business man.

In addition to the above, Mr. Mallin is interested in two units in the produce terminal.

Mr. Mallin stated that it would be necessary for him to have contract for icing cars and wanted to know if it would be practical to furnish ice for P. F. E.

(Signed) G. E. Stanley

CC—Mr. J. T. H. Armstrong
(Confidential)

[fol. 142] (Copy)

April 11, 1938

Personal

Mr. J. T. H. Armstrong, Asst. Gen. Mgr., Pacific Fruit Express Company, Chicago.

Dear Mr. Armstrong:

Regarding Mr. Stanley's letter of April 8, concerning the Mallin Produce Company desiring lease on moderate cold storage plant at Kansas City:

It seems to me that whoever has the cold storage warehouse should also have the icing in the team yard, and it may be in addition to that, the icing at Armstrong.

Will appreciate if you will give this consideration, and advise if this is agreeable to you. It would be with the understanding that whoever operated the cold storage warehouse would be financially responsible, and would furnish the ice at competitive prices.

Yours very truly, (Signed) J. L. Haugh

CC—Mr. G. E. Stanley

[fol. 143] (Copy)

Memo for file:

Talked with Mr. Bradshaw, Col. Patterson and Mr. Newberry, composing investment committee, Woodmen of World Life Insurance Co., today, about bonds on Kansas City Food Terminal. They are very much interested in it. They would not however, take entire issue.

Mr. Newberry referred me to the following two bond houses handling this kind of bond, which he said were very reliable.:

(1) Stranahan, Harris & Co., Inc., Toledo, Ohio. John S. Harris, President.

(2) Stern Brothers, Kansas City, who are affiliated with Lehman of New York.

A sales representative of the first firm was here today, and Mr. Bradshaw directed him to call on me at my office.

Mr. E. Ray Allen, Mgr., of the Chicago office, 135 South La-Salle St., was the one who called.

I gave him pages 1, 2 and 4 of the estimate, a lithograph map of the Fairfax District and three sheets of the sketch of the proposed terminal, and told him the story about the proposition.

He will advise Mr. Harris, and we will hear from Mr. Harris soon if that company is interested.

(Signed) J. L. H. 4/20/38

Omaha, Nebr.

[fol. 144] (Copy)

Omaha, April 25, 1938

Mr. Jeffers:

Mr. Willard Breidenthal, President of the Riverview State Bank, Kansas City, Kansas, has been particularly helpful in getting Federal aid for Kansas City projects.

He was in Washington last week, endeavoring to get further financial assistance for the Kansas City Food Terminal. He returned last night.

He advises that there is not much chance of getting any help from the Government under the recently enacted Glass-Steagall Act authorizing the R. F. C. to make direct loans to business up to $1,500,000,000.

The new Act gives the R. F. C. chairman broad powers in the selection of loan risks. However, despite the discretionary powers conferred by the Act, the R. F. C., which has gained an enviable reputation for excellent management, will probably follow the same conservative business-like policies it has followed in the past.

There will be no grants, only loans, and no loans less than 4%. It will take the customary long period of time to secure approval of a loan.

We believe the Kansas City Food Terminal is in such good shape that the revenue bond issue can be sold commercially at a 4% rate, and thereby be devoid of restrictions that only go with Government loans.

We are pressing to secure W. P. A. appropriation of labor for enclosing Jersey Creek. Material, which would be paid for by the City and covered by general Obligation bonds, is estimated to cost $98,000. The general obligation bonds would not be a lien upon the Food Terminal at all. W. P. A. would furnish the labor estimated to cost $118,000.

(Signed) J. L. Haugh

[fol. 145] (Copy)

Kansas City, Missouri,
May 5, 1938.

Mr. J. L. Haugh:

The Mayor and Board of City Commissioners met with Mr. Breidenthal, Mr. Skinner and me at the Kansas City Club at 4 o'clock yesterday afternoon. The meeting lasted until about 10 P. M.

Prior to the meeting I prepared a memorandum under two classifications, first, "What Has Been Done" and second, "Further Steps Required to Be Taken" to accomplish the building of proposed Kansas City Food Terminal. A copy of my memorandum is attached and each subject will be treated in the order appearing on the memorandum under "Further Steps Required to be Taken" as follows:

1. It was agreed that the putting of all existing lessees on an income base was properly under the jurisdiction of Finance Commissioner Darby and he agreed to serve all necessary notices, make adjustments in location with Board of Public Utilities and Federal Barge Line and otherwise clean up the present lease situation. It will be necessary to cancel the existing lease of the Kaw Point Boat & Motor Company on account of their inability to pay the rent and it will also be desirable to get this industry off of the Food Terminal site.

2. Mr. Skinner was definitely instructed to submit agreement prepared by you to the Missouri Pacific.

3. It was agreed that the general terms expressed in the memorandum regarding lease to Union Pacific was satisfactory and that the Union Pacific Law Department should prepare and submit form of agreement. However, there was considerable discussion about subdivisions a, b and c, as follows:

a. The Commissioners thought that the cost of changing grade of Minnesota Avenue should be borne by the railroad. I contended that we could not agree to that and it was finally left as an open question to be settled at later meeting.

b. Mr. Breidenthal expressed the opinion that the Federal government might help out in relocating the dike and it was agreed that the plan should be discussed with Colonel Hodgson, U. S. District Engineer and then if the government would not aid, that the City itself should bear

the cost of relocating the dike to gain the additional area of 6.7 acres.

c. Mr. Breidenthal and Mayor McCombs proposed that the city execute application that has been prepared for W.P.A. project to enclose Jersey Creek. Mr. Schaible, Street and Park Commissioner has a number of little projects all over town working under W.P.A. and Mr. Darby who has jurisdiction over health projects, is walling some creeks under W.P.A.

[fol. 146] The City is authorized to issue what they call "pick and shovel bonds" and it was finally stated that if this project was authorized, it should not be started until after July 1st. There were some favorable indications that Darby and Schaible would finally agree on this project but it was also stated that they had represented to the citizens that the food terminal would be financed by revenue bonds and that to start out by issuing about $100,000 in general obligation bonds might precipitate some criticism.

They also discussed the possibility of doing paving in the market area with W.P.A. labor instead of enclosing Jersey Creek. It was agreed that this particular question would be reserved until the next meeting which is scheduled within a week or ten days.

4. Form of lease for wholesale merchants, fixing rental at $150 per month, was discussed in detail and agreed upon as now prepared, being the same lease that has been signed by a number of wholesale merchants.

5. Form of farmers lease was left entirely in Mr. Skinner's hands and he has previously approved the same.

6. Form of office lease has been prepared and has been in the hands of Mr. Skinner for two or three weeks. He promised to review the same and furnish criticisms, if any he has.

7. Who will handle concessions?

It was agreed that the concessions would be carefully scrutinized by the Board of City Commissioners and that gambling joints and anything of that character should be guarded against.

8. The City Planning Commission will meet next Monday night, May 9th. I am Chairman of the zoning committee and it was agreed that the area bounded on the north by Quindaro Boulevard, on the east by the city limits, on the south by Central Avenue and on the west by Seventh Street should be zoned against competitive enterprises except the

public levee itself. There are two other men on this committee and the City Commission is comprised of fifteen members, but it is expected that there will be no difficulty in getting this through the city planning commission next Monday night. Its zone ordinance will be passed to the Board of City Commissioners Tuesday, May 10th. This will create a very favorable impression with the produce trade.

It was agreed that a garage should be constructed under the viaduct, if feasible. It was further agreed that Mr. Schaible would secure the opinion of the City Engineer and have him confer with Mr. Sverdrup.

[fol. 147] 9. Minnesota Avenue Viaduct. It was agreed that ordinance would be introduced at regular meeting today to institute survey of land required for this viaduct. It was pointed out that Minnesota Avenue Extension could not be widened and improved as an auxiliary trafficway during the year 1938 because other auxiliary trafficways have taken up the authorized appropriation. However, all the commissioners were agreeable to listing this as the number one project in 1939 and it will be formally handled.

10. Mr. Collins was here a few days ago regarding the Neon sign and I put it on the list so that we could get formal action. The City Commissioners heartily approved of the suggestion and we can build the sign if we want to without any cost for land. It was suggested that the Union Pacific prepare its own agreement for the sign location and that site would be furnished rent free. I pointed out that if we build the sign that we would not want any competing sign in the same area and that also was agreed upon.

11. a. The Commission agreement with Fean and DeOreo has never been completed. Mr. Darby has been negotiating with these people direct and I did not develop any further details.

b. Second refers to saleability of the bonds and that refers to your appointment with bankers at Kansas City on May 10th and 11th. The City Commissioners agreed that Mr. Fizzell, Bond Counsel, could be consulted as their lawyer.

Mr. Cravens called at my office and advised that they have a banking firm in Chicago who would be associated with them and that two or three representatives will keep the appointment with you here on the 10th and 11th of May.

Is was also agreed by the City Commission that we would

have a meeting about every week or ten days in order to check up on things from time to time.

Everybody kept a copy of the memorandum and made notes as to who was to do what.

(Signed) G. E. Stanley.

[fol. 148] (Copy)

Personal

May 12, 1938.

Mr. J. T. H. Armstrong,
Assistant General Manager,
Pacific Fruit Express Co.,
Chicago, Illinois.

Dear Mr. Armstrong:

Your letter May 11 regarding contract for ice requirements at Armstrong yard and the proposed new Food Terminal in Kansas City, Kansas:

"I agree fully with you that it is best to continue our present ice contract on a yearly basis until the building of cold storage facilities is authorized. Am concerned that we should not let a long-time contract because that would inevitably interfere. We will have nearly a year from the time the project is started until we need contract for team track icing, so that if agreement is let on a year-to-year basis with the present contractors, it will not interfere at all with any arrangements that we decide to make for the new Food Terminal.

I was at Kansas City, yesterday, and found things moving along in pretty good shape toward the Food Terminal. It looks as though we might be able to get work started by Fall anyway.

Yours very truly, (Signed) J. L. Haugh.

[fol. 149] R-3296

Omaha, Nebr.—May 13, 1938.

Mr. J. L. Haugh:

"In accordance with your oral request, am attaching approximate estimate of cost to the Railroad Company for trackage facilities to serve the proposed Food and Perishable Terminal at Kansas City, Kansas, as shown on drawing 53296, dated April 9, 1938, the estimate including none of the trackage on the Public Levee south of the north side of Jersey Creek.

The estimate totals $556,666 and includes the items as

discussed with you. The estimate does not include raising the grade of Minnesota Avenue referred to in the last part of Mr. Higgins' wire of this date, which it is our understanding will be taken care of by the City. In the previous estimate this was included at about $22,000, but as the work will not be quite as extensive under the present plan the cost should not exceed $20,000.

(Signed) B. H. Prater.

Enc.
4
CC—Mr. H. C. Mann.

(Copy)

[fol. 150] Kansas City, Kansas

Estimated cost to the Union Pacific Railroad Company for Team Tracks and Connections at Proposed Food & Perishable Terminal.

300 Cars Capacity

Crawing C. E. #53296—Dated April 9, 1938

Right of Way to be purchased from Phillips Petroleum Co. and Great Lakes Pipe Line Co.—8.35 acres @ $2,500		$20,875
Grading—Hydraulic Fill—250,000 Cy @ 0.20	$50,000	
Long Haul—34,000 Cy @ $0.60	20,400	
Miscellaneous Grading Work	12,610	
		83,010
Levee Paving—22,200 Sq. Yds. @ $2.00		44,400
Track Work—69,800 feet of track including 66 turnouts and 2 railroad crossing, S. H. 90-A rail, new switch material, shifting 1,540 feet of present track including percentages		143,346
Modify Grade of Wyandotte Spur Track, Jersey Creek Bridge and other facilities		7,200
Paving between team tracks—8" concrete		
57,000 Sq. Yds. @ $3.00	$171,000	
19 Crossings @ $175.00	3,325	
Arbitrary percentages 10%	17,433	
		191,758
Sewers for Team Tracks—		
2,960 ft. of 12" pipe @ $3.50	$10,360	
2,630 " " 15" " @ 3.90	10,257	
180 " " 18" " @ 4.25	765	
320 " " 24" " @ 5.00	1,600	
290 " " 30" " @ 5.75	1,668	
340 " " 36" " @ 6.50	2,210	
280 " " 24" Corr. I. Pipe @ $5.10	1,428	
29 Manholes @ $100.00	2,900	
32 Catch Basins @ $75.00	2,400	
Arbitrary Percentages 10%	3,359	
		36,947
Flood Lights—10 @ $1,000.00		10,000
Move Phillips Property Fence—3,280 ft. @ $1.00		3,280
Fencing—3,000 lin. ft. @ $1.50	$4,500	
Arbitrary Percentages 10%	450	
		4,950
Bridge over Jersey Creek		4,500
Reinforce Main Fairfax Sewer—40 ft. @ $160 per Ft.		6.400
Total		$556,666

[fol. 151] (Copy)

Omaha, June 4, 1938.

Mr. Jeffers:

Progress on Kansas City Food Terminal, to date:

(1) 54 of the 79 wholesale stores has been leased. This is 70%.

(2) 250 of the farmer stalls have been leased. This is 50%. There will be no difficulty at all in getting the remainder. It is just a question of time, because the farmers have been coming in as rapidly as they can get to it. There will be a total of about 500 stalls built.

(3) The City of Kansas City, Kansas, has made application to PWA for 45% grant under the Appropriation Bill passed yesterday by the Senate, previously by the House, and is now in the hands of a joint conference committee.

I will be in Kansas City, Monday.

(Signed) J. L. Haugh.

cc—Mr. F. W. Robinson, Mr. H. C. Mann.

[fol. 152] (Copy)

Omaha, June 8, 1938.

Mr. Jeffers:

The Kansas City Food Terminal continues to advance although slowly.

Mr. Cravens, representing Stifel, Nicolaus & Co., advised that his firm is ready on the financial set-up that I had furnished them to take bonds up to two and one-half million dollars. This includes one million dollars of present elevator bonds owned by the R. F. C. that must be adsorbed in the new issue; in other words, it provides for $1,500,000 of new money. If P.W.A. grant is secured that will be plenty of money.

Application was made to P. W. A. for 45% grant, last week. It was tied in, however, with the old application under the former P. W. A. act. This is now dead, and the ap-

plication was returned by the Regional Administrator at Ft. Worth for revision to eliminate reference to the former application. The revised application will be mailed today. There is better than a 50-50 chance that it will be approved. This application is to apply under the law that is now before the joint conference committee of the House and Senate.

Another wholesale unit was leased Monday, making a total to date of 55 out of 79.

(Signed) J. L. Haugh.

[fol. 153] (Copy)

Kansas City, Missouri,
June 17, 1938.

Hon. Don C. McCombs,
Mayor, Kansas City, Kansas.

Dear Mayor McCombs:

The undersigned members of Committee of Wholesale Produce Dealers operating in the Kansas City Market are familiar with proposed plan for construction of Kansas City Food Terminal on the public levee of Kansas City, Kansas, which we highly commend and have therefore recommended that the wholesale dealers in this market abandon present undesirable facilities and move to the proposed new Kansas City Food Terminal just as soon as it can be built.

We are pleased to advise you that the undersigned wholesale produce dealers, acting as a committee have secured written leases signed by the following wholesale produce merchants, (being on form prepared and submitted by A. H. Skinner, City Attorney) to rent units in proposed new Kansas City Food Terminal and pay your city therefor at rate of $150 per unit per month. The leases run from one year to thirty years. We can now assure you that if you get busy and really start work on the needed facilities, we are authorized to turn over following executed leases to you, which in our opinion represents fully 90 percent of the total volume in the present market in vicinity of 5th & Main Streets and the balance or 10% per cent will immediately join us in the new wholesale terminal and Kansas City would thereby be provided with a modern, economical and practical place to carry on the essential perishable food business.

Proposed lessees and units set aside for each follows:

Name	Units
Palermo Produce Company	1
A. Robinson & Sons Fruit Company	2
D'Angelo Celery House	1
DeMaria & Jenson, Inc	2
L. Yukon & Sons	2
Sarser Produce Company	2
DeFeo Fruit Company (including two unnamed merchants)	4
N. DeMarea & Sons	2
Mike DeFeo	1
Litman Produce Company	2
Bell Walnut	1
Connelle Produce Company	2
H. Junsberg & Son Produce	1
Watrous & Son	1
H. Widlan	1
Dreyer & Company	1
H. Baum & Company	1
Feingerb & Sons	1
L. Gordon	1
Joe Passentino	1
Ferronte and Luchio Produce	1
[fol. 154] National Produce Company	1
McLain and Collins	1
Cherreto Celery House	1
Carl Careuso	1
Louis Mallin	2
David Hale	2
Oscar Rosenblum	1
C. Plaito 3rd St.	1
L. Adelman	1
L. Cappaken	1
Jack Peek Market Fruit Company	1
Pirciotta Produce	1
Harry Winer Saroff & Company	2
Herman Weinchink	1
H. Fishman & Company	1
Joseph DeOreo	2
Total	51

In addition to above mentioned merchants we are confidentially advised that other wholesale merchants (now furnishing City hospitals and public institutions in Kansas City, Missouri) will sign leases when the wholesale food terminal is assured and you should give no concern whatsoever to any threat of a divided wholesale market. The trade agrees that the retail market should be placed in Kansas City, Missouri, and the wholesale food terminal on the splendid site owned by your city and now ready for use. We fully agree with the general recommendations made by William C. Crow, Associate Agricultural Economist, Bureau of Agricultural Economics, U. S. Department of Agriculture.

Leases obtained and available from wholesale dealers engaged in perishable produce business and from dealers in butter, eggs, meats and allied food lines will fill all the seventy-nine units proposed for Kansas City Food Terminal. It is well known that the farmers (selling wholesale) also favor your plan and site.

We have also canvassed the situation with wholesale brokers, carriers and every one that knows our industry wants the new terminal, which would be the greatest thing that can be done for the Kansas City market, including large regional area served from this city.

What we especially recommend and emphasize in this: We want action now and if you can act now, you can count on our united support.

Respectfully yours, (Signed) Simon Yukon, J. J. DeMaria, Jack DeFeo, Ike Sarser, Wm. Robinson.

[fol. 155] (Copy)

Enroute Nebraska Division,
June 19, 1938.

Mr. Jeffers:

The City of Kansas City, Kansas, made application to PWA for grant to build a food terminal, based on cost of $3,700,000. This was forwarded to Regional Administrator Bull, with headquarters for the region in which Kansas is located, at Ft. Worth, Texas. The application was returned to the city for further information, and then resubmitted. Mr. Skinner, City Attorney, went to Ft. Worth, last week, and found that still further information was necessary He

returned to Kansas City, Saturday. Messrs. Gentry, Radotinsky and Schulz, the engineers for the city, and Higgins, Union Pacific engineer, will be in Ft. Worth, Tuesday morning to provide the additional breakdown of man-hours and description of materials required by the Administrator, and get the application immediately off to Washington.

Mr. Breidenthal, Mayor McCombs, Commissioner Darby and Mr. Stanley will leave for Washington tonight. They have already 'phoned Senators McGill and Capper and Congressman Guyer of Kansas, all of whom will remain in Washington until necessary contacts are made in connection with this application. Prior application, under the old law, was recommended by Secretaries Woodring and Wallace and also by Guy Helvering of the Treasury Department. These same officers will be contacted.

The law empowering new grants was passed last week.

The estimate of cost was raised $1,500,000 over our previous estimate to take care of:

(1) Cold Storage plant, estimated to cost $800,000.

(2) Additional warehouse estimated to cost $130,000.

(3) Increased cost because of handling under PWA.

The present estimate of cost is the same as the estimate on the original submission which died on account of lack of funds under the old law.

(Signed) J. L. Haugh.

[fol. 156] (Copy)

New York, N. Y., June 28, 1938.

Mr. W. M. Jeffers, President, Omaha, Nebraska.

Dear Mr. Jeffers:

Referring to the draft of lease contract between the Union Pacific and City of Kansas City, Kansas, covering the fruit terminal.

As Mr. Stanley has no doubt reported, it was not necessary to present this contract. In my statement to the Board I merely made use of Section 9 and I added the words after "switch with expedition" "and without discrimination".

No one was present at the hearing outside of our own

crowd except Dr. Waugh of the Department of Agriculture and Secretary of Was Woodring.

On Sunday and again on Monday morning I saw Harvey Couch who, as you know, is Chairman of the Kansas City Southern, and I am satisfied that he was there to do what he could in opposition. The protest of the Missouri Pacific, which was filed with the Assistant Secretary of Interior Burlew, alleged that this was creating a monopoly for the Union Pacific, and it was to that point that I directed most of my statement.

I learned that Mr. Merriam, who is a director of the Santa Fe and also a director of the R.F.C. and who is in Washington all the time, also has expressed rather strong opposition and I think we can count on whatever influence he can exert being against us.

After carefully listening to the entire presentation, which I think was handled in a most intelligent way, I feel that the crux of the whole matter is in the filing with the P.W.A. of a firm commitment on the part of the bankers to take a sufficient amount of the income bonds to build the terminal and to refund the $1,033,000 now held by the R.F.C. Unfortunately the interest on these income bonds was not paid on June first. This default I understand was occasioned by additional expenditures on the elevator, but it is nevertheless a default and very embarrassing.

I am sure that Mr. Haugh will want to interest himself at once in getting behind and securing as promptly as possible this commitment from the bankers and seeing that it is filed with the P.W.A. No further action will be taken by the P.W.A. until this is filed and it must be an unqualified commital. The Assistant Administrator, Mr. Gray, and by the way a very fine gentleman, was very emphatic in his statement that there must be no qualifications in this commitment, no weasel wording, and, to quote him, no paragraphs which at the time stated a matter affirmatively and negatively. Apparently he has had some unfortunate experience in this direction. Secretary Woodring was of the greatest assistance and so were the Department of Agriculture.

The money is being allotted pretty rapidly and expedition is of the essence.

(Signed) C. R. Gray.

[fol. 157] (Copy)

Omaha, July 2, 1938.

Mr. Jeffers:

I had an appointment at Kansas City, Friday, July 1, with the officers of Stifel, Nicolaus & Co., the investment banking firm that has the option from the city to sell the revenue bonds. Unfortunately, the father of Mr. Nicolaus died, and they were obliged to break the appointment. It has now been set for Wednesday, July 6 at Kansas City.

When we were figuring on no Government aid and in order to marshal the resources very carefully, we did not include a cold storage plant. Then, when it seemed possible to get Federal aid under the law just passed by Congress, we added a cold storage plant, and the estimate was very considerably increased.

The PWA has given verbal, conditional approval on the grant, providing the city produces commitments showing that 55% of the cost will definitely be taken care of by sale of bonds or other means.

The appointment with Stifel, Nicolaus & Co. is to get a definite commitment from them to take $3,000,000 of revenue bonds, which include absorption of the $1,033,000 of grain elevator bonds; i.e., there will be $1,967,000 available for the market from this source. The city will provide the commitment.

The total cost of the city's proportion of the project is now estimated to cost $3,799,034. This will be furnished as follows:

Revenue bonds as above stated	$1,967,000
General Obligation Bonds	122,469
PWA Grant	1,709,565
Total	$3,799,034

For the revenue bonds, it will be necessary to show definite income from the cold storage plant.

The cold storage plant will include ice-making, ice storage and cold storage.

It is now estimated to cost $658,000. Although that figure is flexible.

I arranged by long distance telephone for appointments in Kansas City, with officers of the five possible lessees of this cold storage plant.

(1) Federal Cold Storage Company.
(2) U. S. Cold Storage Co.
(3) Railway Ice Company.
(4) City Ice Company of Kansas City.
(5) Frick & Company.

[fol. 158] The first company now has cold storage plants at Tulsa, St. Louis, Cleveland, Cincinnati, Columbus, Pittsburgh, Hornell, N. Y., and Jersey City, N. J. It is a subsidiary of City Ice and Fuel Co. From our standpoint, it would be the best traffic producer, and from the city's standpoint, it would be as good a tenant as can be secured. Their officers advised they were very much interested, and they actually showed their interest in developing information. They will make a bid for it next week.

The second company has been fighting this food terminal project from the very inception, and has incurred animosities with the city commission, and more important, with the wholesale perishable dealers, who have already signed leases on the new food terminal. The U. S. Cold Storage Co. now has a virtual monopoly on the Cold storage business at Kansas City. I met with their officers; explained the situation to them. They were naturally interested, and will make a bid next week.

Each of the other three companies are interested, and are figuring.

It is most feasible and economical that the operators of the cold storage plant furnish icing for the team track yard, and that the same operators have the contract for PFE and Union Pacific icing at Armstrong. Mr. J. T. H. Armstrong of the PFE was present, and we held out to the prospective bidders that the ice contract, which would have to be reasonable and also upon competitive bidding, would go to the lessee of the cold storage plant.

Mr. Armstrong was very helpful.

Am continuing to work assiduously on this project and hope to bring it to a head within the very near future.

We are getting splendid cooperation in every contact.

Mayor McCombs, Commissioner Darby, City Attorney Skinner, Willard Breidenthal and Guy Stanley were very

appreciative of Mr. Gray's consideration and helpfulness at Washington.

Mr. Gray referred to default in interest on June 1 on grain elevator bonds that are held by PWA. The PWA has not turned over to the city a small balance of the money covered by the bonds, which is necessary for the installation of about $15,000 worth of equipment that is required to complete the project. This whole matter is on file in another department of the PWA, and that matter has now been straightened out with them.

(Signed) J. L. Haugh.

cc. Mr. F. W. Robinson, Mr. H. C. Mann.

[fol. 159] PLAINTIFF'S EXHIBIT No. 6

President's File No. 912

Volume 5

[fol. 160] (Copy)

At Kansas City,
July 13, 1938

Mr. Jeffers:

In connection with the application by the City for a PWA grant to aid in the construction of the Kansas City Food Terminal, the PWA advised the City that the proposition looked favorable, and they would be disposed to grant application, provided they had a definite commitment that the remainder of the financing would be forthcoming.

Yesterday, I had a conference with the representatives of Stifel, Nicolaus & Co., who have option from the City to handle disposition of the revenue bonds. Conference with them was for the purpose of getting a definite commitment that they will purchase $3,000,000 of 4% revenue bonds of which $1,033,000 is for refunding the grain elevator bonds, and $1,967,000 is for new construction. They asked for a definite statement from the City upon which they can base the sale of the bonds. Monday night and Tuesday morning I prepared a letter to them for signature by the Mayor, containing a complete financial set-up of the entire project, to be used by the investment bankers as a prospectus for the sale of the bonds. The letter was signed by the Mayor and was delivered last night to the bankers.

I talked with Mr. Rhode, Vice President of the Federal Cold Storage Co., and he advised that his company would have a definite commitment on the cold storage plant early next week.

The U. S. Cold Storage people have an appointment with me here today about the lease of the proposed new cold storage plant. However, they have been continuing to undermine our project, and financed a trip to Washington by a committee of five people from Kansas City, Missouri. This group is headed by Turney Gratz, a young attorney, who has been employed for the purpose. In the group was Walter Reich, a wholesale perishable dealer, now located in the Rock Island freight house; Isadore Singer, who has an agency for the handling of beer and liquor; Herbert Ziegler, a responsible merchant, who has signed a lease on the proposed new terminal and who accompanied the party under duress, and Richard Mills, an unimportant dealer at the market. The attached news item states that Ed Lorber accompanied the party, but he did not go.

There is a good deal of political pressure being placed upon the perishable merchants in Kansas City, Mo. to defeat the Kansas project.

Am attaching two clippings—one advising of the trip to Washington by the protest committee, and another advising of their interview with Col. E. W. Clark, representing [fol. 161] PWA. Col. Clark reports to Howard Gray, the PWA representative who advised the Kansas delegation that the request would be granted when commitment is forthcoming.

The protest of the Missouri side was expected. The delegation could not have been less important than the one sent. The amount accomplished could not have been less than reported. We are not particularly disturbed about this, although it does indicate the necessity for prompt and effective work.

The bankers should be able to complete their commitment next week, and we should have a definite proposition from the cold storage people by that time also.

When these commitments are in hand, they will be taken to Washington by a substantial committee in order to complete the transaction.

(Signed) J. L. Haugh.

cc—Mr. H. C. Mann
Mr. F. W. Robinson

[fol. 162] (Copy)

Kansas City, Missouri,
July 18, 1938

Mr. J. L. Haugh:

Under date of May 24th, you mailed me voucher for $800, $600 of which was to be advanced in equal amounts to Joseph DeOreo and Wm. Fean and $200 was to defray expenses of George T. Darby, City Finance Commissioner on a market inspection trip, because he had not gone on previous trips.

I omitted to send you receipts signed by Joseph DeOreo and Wm. Fean which you will find attached hereto.

I gave Mr. Darby $200 in cash but took no receipt from him. He intended to go on inspection trip but official duties prevented and he informed me that he used the money in making round trip Washington to Kansas City and return via airplane. You will recall that he went to Washington with Mr. Breidenthal, Mayor McCombs and me, but had to return to Kansas City via airplane in order to authorize city employes payroll. I bought Mr. Darby's round trip railroad ticket and Pullman both ways. Also paid his hotel bill at Washington, D. C.

I have used all of the money that you have advanced me plus $47.00.

For several days both Mr. eOreo and Mr. Fean have been pressing me for further advances. When you and I talked this situation over with them we agreed to advance $1,800 at the rate of $600 per month and it was further agreed that the money would be refunded to us out of their commissions if the deal went through with the City. They both have worked hard and Mr. DeOreo today informed me it has been necessary for him to borrow $50.00 from the Hotel Pickwick. At any rate it appears that both of these people are without funds and considering all circumstances and the fact that we want to keep the momentum up at this time, I am willing to recommend that we advance the further sum of $600. It will also be necessary for me to take a delegation to Washington within one week. It is not unlikely that we will remain fully one week, so I suggest that you advance a total of $2,000, $600 of which I will give to Messrs. Fean and DeOreo and hold the balance of $1,400 for a further working fund.

(Signed) G. E. Stanley.

[fol. 163] (Copy)

At Kansas City, July 21, 1938

Memorandum for File:

Met today in Mr. Stanley's office, with Mr. H. L. Traber, Executive General Agent, and Mr. Bailey Wagner, Attorney, for the Missouri Pacific.

Mr. Traber asked if the Union Pacific would grant Missouri Pacific joint rights in the Kansas City Food Terminal trackage. I asked him if he meant the team track yard, and he said "yes." I told him that the Union Pacific would not grant joint rights in those tracks.

(Signed) J. L. Haugh.

cc—Mr. G. E. Stanley

[fol. 164] (Copy)

Union Pacific Railroad Company
Omaha, Nebraska

J. L. Haugh,
Vice-President

July 26, 1938

Hon. Don C. McCombs, Mayor,
Kansas City, Kansas.

Dear Mayor McCombs:

The Union Pacific Railroad is a large handler of fruits, vegetables and other perishable commodities. It has studied the Food Terminal plan of Kansas City, Kansas, and from its experience believes this will develop not only a large local, but also a large national market.

In conjunction with the Food Terminal, it is prepared to build a team track yard with a capacity of approximately 300 cars for unloading at one time, and to build the necessary lead and yard tracks in connection therewith. The Union Pacific proportion of the work is estimated at $556,000, which will be handled at its own expense. It is prepared to start this work within thirty days from the time that the City is definitely ready to proceed with its portion of the work.

The Union Pacific Railroad, which will switch the team track yard serving the terminal, now handles a very large

number of carloads of perishables for all railroads to this market.

The very nature of the produce and the marketing of it requires that it must be switched without any delay whatsoever. Congestion and delay would inevitably occur if switch engines of more than one railroad were to handle this switching, where every minute must be conserved.

The team track yard will be open to all railroads under tariff which shall be similar to that charged for like service at other national perishable food terminal markets.

The Union Pacific is the most centrally located rail carrier in Kansas City, and it has a connection with all railroads. It now has an interchange with each of these railroads at mutually advantageous points. The interchange for the team track yard will be accomplished through these same points or, in the event the interchange can be improved, then it will be changed to such points as may be mutually beneficial. There will be no extra road haul charge made for the team track yard interchange. The Union Pacific will switch with expedition and without discrimination all cars destined to or originating on the Food Terminal tracks, regardless of the railroad over which such cars arrive or are destined to depart from the switching district of greater Kansas City.

Yours very truly, (Signed) J. L. Haugh, Vice-President.

[fol. 165] (Copy)

At Chicago, July 29, 1938.

Mr. Jeffers:

I was in Washington from the 25th to the 28th inclusive with the delegation from Kansas City, composed of: Mayor Don C. McCombs, City Attorney Alton H. Skinner, Willard Breidenthal, R. R. Cravens, representing the bankers; G. E. Stanley.

We made a number of calls on subordinate officers of the PWA, and then called on Mr. Howard Gray, who is Director of the Public Works Administration. He told us that the application was in good shape; that it needed the approval of the Finance Division of which Mr. Thoron is head, and of the Legal Division of which Mr. Fahrbach is General Counsel, and then that they were waiting on advice from the Bureau of Economics of the Department of Agriculture,

regarding the protests that had been received from Kansas City, Missouri.

We saw Mr. Thoron of the Finance Division, and he advised that the commitment from the bankers was entirely clear in all that could be expected.

We then saw Mr. Fahrbach, General Counsel. He was concerned about the railroad monopoly created by the market being served by only one railroad. Evidently, the Missouri Pacific protest had inspired this question. I explained the situation to him and left a letter with the Administration, advising that the Union Pacific would build the team yard and that it would switch the yard with expedition and without discrimination, and that there would be no extra road haul charge on the interchange from railroads in greater Kansas City. He said this seemed to clear the matter, excepting that he would like to review the contract between the city and the Union Pacific after the P. W. A. grant was allocated and before the contract between the P. W. A. and the city was executed; further that he would like to see a copy of the tariff and the comparison between that tariff and similar tariffs at other national markets.

We then went to the Department of Agriculture. Mr. W. A. Crow and Dr. Frederick Waugh have been handling the Kansas City matter for the Department of Agriculture, and have made a very complete report upon it, recommending the Kansas market. They had not, however, received a request from the P. W. A. for a recommendation. The Department of Agriculture is entirely favorable, and will make a favorable report when called upon.

The remainder of the party stayed in Washington to follow through, to see that the P. W. A. is furnished with that report and recommendation.

[fol. 166] I came on to Chicago and talked today with Mr. W. J. Sinek, Vice President and Chairman of the Finance Committee of City Ice & Fuel Co., and Mr. F. F. Rhode. They have been working on a proposition, but do not yet have sufficient information upon which to base a commitment on rental. I have arranged with Mr. Sinek that he would send Mr. Von Weise their Vice President at New York who handles their cold storage business to Kansas City next week. Mr. Stanley will put him in contact with users of cold storage in order to help him complete the set-up of business available upon which to base his proposal.

(Signed) J. L. Haugh.

[fol. 167] (Copy)

Union Pacific Railroad Company

Telegram

Omaha, Aug. 5, 1938.

G. E. S., Kansas City

I have meeting with Messrs, Sinek, Von Weise and Rhode in Mr. Sinek's office, Chgo., Mon. 8th. Mr. Walters will be with me. Mr. Sinek says that he has sufficient information now to develop a proposition. He wants to secure as much ice business from U. P. R. R. as possible from Omaha and KC.

Have you had any further inquiry from U. S. Cold Storage? Is their proposition about ready to submit? Also inquire of Stuckenbruck and of Frick. J-28

(Signed) J. L. Haugh.

[fol. 168] (Copy)

Omaha, August 24, 1938.

Mr. G. E. Stanley:

The Kansas City Industrial Land Company and the Union Pacific Railroad have, from time to time, advanced funds to take care of preliminary expenses in connection with the construction of the grain elevator and of the food terminal.

The advances for the grain elevator were by The Kansas City Industrial Land Co., while the advances for the food terminal have been by the Union Pacific Railroad.

With my letter to you of June 10, 1936, I submitted a statement from the General Auditor, showing the amount advanced by the KCILCo. for preliminary expenses in connection with the grain elevator, amounting to $11,034.25. In addition to that, the Land Co. incurred an expense for making foundation tests for the grain elevator in Oct., 1935, amounting to $72.80. This item is covered by bill collectible, Audit No. 1506 against the City of Kansas City, Kansas. The City has not paid that bill. The total owing, therefore, to The KCILCo. for preliminary expense is $11,107.05.

The Union Pacific Railroad Company has advanced, in

connection with the food terminal, the amounts shown on the attached statement, totaling $11,939.87.

Am sending you this so that you will have record of it.

If you have any further suggestions as to procedure will be glad to have them although I assume there is nothing that can be done now except to wait until the revenue bonds are issued to cover refunding of the elevator bonds and financing necessary for construction of the food terminal.

(Sgd) J. L. Haugh.

[fol. 169] (Copy)

Union Pacific Railroad Company

Kansas City, Mo.
August 27, 1938.

Mr. M. R. Bevington, Special Agent
Division of Investigation, P.W.A.
C/O Snyderhof Hotel
Kansas City, Missouri

Dear Sir:

Acting on your request for me to set out in writing as an individual, as an official of the Union Pacific Railroad Company, and as a member of the City Planning Commission, Kansas City, Kansas, information about pending application of Kansas City, Kansas for federal grant to construct a Wholesale Fruit and Vegetable Market on the Public Levee in Kansas City, Kansas, I advise you as follows:

For several years last past I have been generally advised that wholesale food terminals in large cities have been successful and economical facilities for the distribution and marketing of fresh fruits and vegetables.

The City Officials of Kansas City, Kansas had discussed the matter from time to time, but I never became interested in the subject until the forepart of January, 1937, when our General Agent, Mr. W. H. Benham, at Cleveland, Ohio, wrote me that he was in touch with two individuals who had had considerable experience with the produce business and desired to establish a wholesale produce Market at Kansas City. By correspondence with Mr. Benham I arranged to see the people he referred to, and soon thereafter Mr. Wm. Fean a wholesale produce dealer of Columbus, Ohio, and

Mr. Joseph DeOreo of Cleveland, Ohio, came to Kansas City together. They called at my office and represented to me that they had been instrumental in acquiring land, planning a wholesale food terminal at Cleveland, Ohio, and leasing the same to wholesale produce merchants and others. They also represented that they had worked on a similar enterprise at Buffalo, New York. The wholesale food terminal at Cleveland is called "Northern Ohio Food Terminal", and the one at Buffalo is known as the "Niagara Frontier Food Terminal."

I personally showed Messrs. Fean and DeOreo all of the industrial property adjoining the line of the Union Pacific at Kansas City, including the 102 acre tract of land known as the Public Levee in Kansas City, Kansas. These gentlemen informed me that they wanted to study the situation at Kansas City for two or three weeks before they discussed the matter further. Following their further investigation, Messrs. Fean and DeOreo returned to my office and convinced me that they had made a very careful investigation of existing conditions at Kansas City. They discussed the principal terminals of all railroads, had examined various sites, and stated that in their opinion the public levee would be the best site in Greater Kansas City for a wholesale food terminal. They also stated that the [fol. 170] city's property was ideal in every respect for the intended purpose. I explained to these gentlemen that the public levee had been dedicated for public purposes; that the city could not sell or dispose of the land, and if they thought that was a proper site it would be necessary for them to confer with the city officials of Kansas City, Kansas. Following that conference, these gentlemen talked with Mayor Don C. McCombs and Mr. A. H. Skinner, City Attorney. The same city officials also conferred with me about the proposed enterprise, and after some legal investigation and study, Mr. Skinner proposed that a new law be enacted by the legislature of the State of Kansas to authorize the city to so use its public levee, and issue revenue bonds (not supported by taxation) to pay the cost of the improvements. Mr. Skinner also wrote counsel for the public works administration, and, if I remember correctly, he obtained the approval of Mr. Foley then General Counsel of the P. W. A. on the legislative plan that he proposed to the Kansas legislature. At any rate, Chapter 135 of

the Laws of Kansas was enacted by the legislature, approved by the Governor on May 23, 1937, and published in the official state paper March 26th, 1937. That is the law under which the city is now proceeding.

I carefully explained to the city officials of Kansas City, Kansas, and also to Messrs. Fean and DeOreo that the Union Pacific itself would not construct a wholesale food terminal; that the railroad was engaged strictly in the transportation business, and that it would be against our policy to provide wholesale facilities for lease such as proposed. However, I did state to the city officials and Messrs. Fean and DeOreo that we would investigate the merits of the proposal, and, if we found that the proposed enterprise was financially sound and had prospect of success, it was probable that the Union Pacific Railroad Company would cooperate by building all necessary rail facilities.

My next step on the matter was to investigate the record of Messrs. Fean and DeOreo. I learned that Mr. Wm. Fean was a reputable wholesale produce merchant at Columbus, Ohio, who had conducted a successful business and enjoyed a good business reputation. I also learned that Mr. Fean was experienced in market practices and had worked in close cooperation with growers and producers in many sections of the country. I verified by inquiry that Mr. DeOreo had engaged in the real estate business in Cleveland, Ohio and had had business relations with the Nickel Plate R. R. Co. and Erie R. R. Co. Some of these business relations were controversial, but there was nothing to reflect on his personal integrity, and it was well established that Mr. DeOreo was experienced in market enterprises.

I reported all the facts to my superior officers at Omaha, Nebraska. In the spring of 1937, Mr. J. L. Haugh, Vice President, Union Pacific R. R. Co.; Mr. J. E. Davis, Asst. to Vice President, Omaha; Mr. C. P. Cahill, Supt. of the Union Pacific R. R. Co., Kansas City; Mr. J. H. T. Armstrong, Manager of the Pacific Fruit Express Co., Chicago, [fol. 171] and I accompanied Mayor Don Co. McCombs; Mr. A. H. Skinner, City Attorney; Mr. W. J. Breidenthal, banker and civic leader of Kansas City, Kansas; and Messrs. Fean and DeOreo on a trip to inspect wholesale facilities in Chicago, Detroit, Cleveland, Ohio, and Buffalo, New York. We spent about one week's time on this trip and gathered all pertinent data possible.

On my return to Kansas City, Mr. W. J. Breidenthal, Mr. Lee Metcalfe of Kansas City, Mo., and I called on Judge H. F. McElroy, City Manager, Kansas City, Mo., and told him that we were investigating the practical aspects of a plan for a wholesale food terminal to serve Kansas City and its trade territory. We also explained to Judge McElroy that the site under consideration was the public levee in Kansas City, Kansas, and that we then were of the opinion that a plan of that character would be a good thing for the industry and Kansas City. Judge McElroy specifically stated to us that he intended to build a farmers' retail market and saw no objection whatsoever to the building of a wholesale fruit and vegetable market, or any other facility that would benefit the wholesale business of this city.

In the meantime, Messrs. Fean and DeOreo negotiated with the city officials of Kansas City, Kansas, and made some personal efforts to finance the wholesale terminal. It was first suggested by these gentlemen that they would take a lease on the entire public levee and sublease the facilities, but, according to my information, that suggestion was objected to by the city officials of Kansas City, Kansas, on the grounds that it would be turning public property over to private individuals for a monopolistic enterprise. Then city officials of Kansas City, Kansas, negotiated with Messrs. Fean and DeOreo about representing them as agents to lease the proposed facilities to wholesale firms, farmers, and others. Messrs. Fean and DeOreo were never authorized to represent the Union Pacific Railroad Co., and do not now represent that company. These gentlemen were employed by Kansas City, Kansas, on a contingent commission basis, and as I understand the arrangement, their basis of compensation is slightly more than the regular Real Estate Board commission, which they asserted was necessary because of the magnitude of the enterprise, and the fact that it was necessary to negotiate leases with 448 farmers, and about 100 wholesale dealers, brokers, jobbers and other allied with the general food business. The city officials will doubtless furnish you with a copy of existing agreement, and advise you more fully about the authority of Messrs. Fean and DeOreo as agents for the city.

The City of Kansas City, Kansas, filed an amended application with P. W. A. for loan and grant under P. W. A.

Docket 4820, but, according to my information, that application was not filed in time and was not considered by P. W. A.

After it became known that P. W. A. would not consider the loan and grant, Mr. J. J. DeMaria, Mr. Harry Robinson, Mr. Jack DeFeo, Mr. Isaac Sarser, and Mr. S. Yukon, all wholesale produce merchants, called at my office and represented that they constituted a committee of wholesale [fol. 172] merchants to secure a modern wholesale food terminal for Kansas City and its trade territory. This committee requested that the Union Pacific assist in establishing such facilities in Kansas City, and stated that, in their opinion, the public levee in Kansas City, Kansas, was a suitable location. I informed this committee that we would further study the situation and that I would later arrange for them to meet our principal executives. About the middle of September, 1937, this same committee returned to my office where they met and conferred with Mr. Carl R. Gray, then President of the Union Pacific Railroad Company, and now Vice-Chairman of the Board of Directors; Mr. W. M. Jeffers, then Executive Vice President of the Union Pacific, and now President; Mr. J. L. Haugh, Vice President of the Union Pacific Railroad Company; and myself. The committee was informed by Messrs. Gray, Jeffers and Haugh that we had been studying the situation and that the Union Pacific felt inclined to provide necessary rail facilities including a consolidated inspection and team yard that would be open to cars of all railroads enter--- Kansas City. Mr. Gray explained to this committee that the great bulk of fruits and vegetables moved from West to East and that the Union Pacific could not participate in the movement of this business east of Kansas City, as our railroad terminated here. Mr. Gray also stated that the Union Pacific wanted to cooperate with the food industry and the city, and he would soon definitely advise what the Union Pacific would do.

Some time after the conference outlined above Mr. C. C. Weedin, General Freight Agent of the Union Pacific at Kansas City, accompanied a delegation of about twenty of the most prominent wholesale fruit and vegetable dealers in Kansas City on a trip to inspect eastern terminals. Mr. DeOreo also accompanied the party of wholesale dealers. Immediately on the return of these wholesale merchants, and based on the information that they had obtained, nu-

merous leases were executed in favor of Kansas City, Kansas, for practically all of the facilities proposed, based on new application of City to P. W. A. for federal grant only.

The Executive Committee of the Union Pacific Railroad Company approved a plan whereby that Railroad Company would lease 26.4 acres of land owned by Kansas City, Kansas, and privately expend the sum of $556,666, or the estimated cost of suitable trackage facilities to serve the proposed wholesale fruit and vegetable market.

After this enterprise began to make headway and it was definitely known that the Union Pacific Railroad would support the project in the manner set out above, it produced known opposition from the following groups:

1. A small group of property owners in the vicinity of the old City Market at the north end of Kansas City, Missouri.

[fol. 173] 2. Judge H. F. McElroy, City Manager of Kansas City, Missouri.

3. Two and possibly three railroads, which are competitive to the Union Pacific Railroad Company.

4. Cold storage interests at Kansas City.

It is a significant fact, however, that the proposed new wholesale market in Kansas City, Kansas, is favored by a big majority of the wholesale dealers and farmers engaged in the essential food business, who evidently realize the advantages that such a wholesale market would give them.

You are, doubtless, familiar with report made by the Marketing Division of the Bureau of Agricultural Economics, U. S. Department of Agriculture, which estimated that there could be a saving in unnecessary cartage and spoilage on volume of business handled with existing market facilities at Kansas City, estimated at approximately $300,000 per year, or considerably less than would be charged as rent per annum for all of the new facilities proposed by Kansas City, Kansas.

Referring in particular to the group opposition mentioned above, I will set out only such information as is personally known to me, i. e.:

1. Mr. Turney Gratz, Secretary-Manager of the North side Business and Improvement Ass'n, has been active in

opposition to the proposed wholesale market in Kansas City, Kansas. Mr. Gratz has called at my office several time-, and has tried to discourage the cooperation of the Union Pacific on the proposed enterprise in Kansas City, Kansas. Mr. Gratz has had no actual experience in the produce business. He formerly engaged in business of selling mattresses, and then successively sold Neon signs and advertising. According to wholesale produce merchants at Kansas City, Mr. Gratz does not represent that industry. He solicits funds from firms and retail merchants not associated with the general food business to support his organization and personally boasted to me that scare of a wholesale market had made it easy for him to raise money.

Mr. Gratz has represented to me personally that he has the direct cooperation of Judge McElroy, City Manager, who had delegated the responsibility of planning the proposed new City market (wholesale and retail) on two block area, to him.

2. Judge H. F. McElroy has never discussed this project with me since the conference herein referred to. I have not consulted him further about plans of Kansas City, Kansas. I have ascertained by investigation that Judge McElroy will receive bids on September 8, 1938, for foundation of a small building at the north end of land owned by Kansas City, Missouri, although he indicated in an interview to the press that he would immediately build the wholesale section of a porposed market for both wholesale and retail produce business.

[fol. 174] 3. The A. T. & S. F. Ry. Co., and the C. R. & P. Ry Co., both compete with the Union Pacific from California to Kansas City on fruit and vegetable movement. The Missouri Pacific R. R. Co., operating in conjunction with the D. & R. G. R. R. Co., and the Western Pacific R. R. Co., is also a competitor of the Union Pacific. All of these railroads know that the Union Pacific Railroad Company owns and controls the Fairfax Industrial District at Kansas City, which comprises about 2,000 acres of land immediately north of the Public Levee. A Wholesale food terminal (handling and switching cars of all railroads) requires a large supporting yard for classification and sorting purposes and dispatch service, and because of the ownership of land adjoining the Public Levee the Union Pacific is the only railroad that is in position to properly serve the pro-

posed wholesale market on the Public Levee in Kansas City, Kansas, as illustrated by green lines on attached lithograph map.

You may ascertain by investigation that the following railroads which do not compete with the Union Pacific on fruit and vegetable business at Kansas City gateway are friendly to the proposed enterprise, namely:

1. Wabash Railway Co.
2. Alton Railroad Co.
3. G. G. W. Railroad Co.
4. St. L.-S. F. Ry. Co.
5. M-K-T Railroad Co.
6. C. B. & Q. Railroad Co.
7. C. M. St. P. & P. Railroad Co.

Because of the fact that the Union Pacific is the only railroad enter— Kansas City from the West that also ends at Kansas City, it is only fair to point out that the Union Pacific R. R. Co. is the only railroad that could neutrally serve the proposed terminal from standpoint of eastern lines here, and will have to turn over diverted business moving to the eastern markets to all the other railroads in Kansas City as directed, including the A. T. & S. F. Ry. Co., C. R. I. & P. Co., and the Missouri Pacific R. R. Co.

According to the terms of the proposal made by the Union Pacific to Kansas City, Kansas, we will switch the proposed food terminal without discrimination and with expedition, handling carloads to and from all railroads entering Kansas City under regularly authorized tariffs approved by the Interstate Commerce Commission.

4. Referring in particular to attitude of cold storage interests: Opposition to the proposed project has been largely financed and agitated by the U. S. Cold Storage Co., which owns a large cold storage plant in Kansas City, Missouri.

The U. S. Cold Storage Co. enjoys a practical monopoly at Kansas City. About two years ago, a large cold storage plant (about 3,000,000 cubic feet), operated by Armour & [fol. 175] Co., being the former Morris & Company plant, was purchased by U. S. Cold Storage Co. and immediately torn down. Coincident with this wrecking, but probably not incidental or allied with it, the cold storage rates in Kansas City were increased. The City Ice Co. of Kansas City is also opposed to the project. Mr. E. M. Dodd, President of

the U. S. Cold Storage Co.; Mr. Stuckenbruck, President of the City Ice Co.; and Mr. Arthur Hardgrave, who handles retail ice deliveries for both companies, have severally and collectively opposed project for new wholesale produce terminal. All the parties named have protested the project to me on the ground that it would produce more competition in their respective businesses. I have contended that proposed facilities would increase volume of business in and through Kansas City. The committee of merchants and also the farmers' committee have advised me that they will insist upon cold storage facilities being a part of the proposed new market in Kansas City, Kansas, and while it is a matter entirely in the hands of the city officials, I am of the present opinion that a modern cold storage plant (including lockers not now provided at Kansas City) should be erected as a part of the market facilities. The Plant should also contain ice-making facilities for economical operation. The Union Pacific and the Pacific Fruit Express Co. will cooperate with the leasee of the cold storage plant by purchasing at fair price all of our requirements for car icing at Kansas City. It is estimated, including the icing that will be required on inspection and team yard tracks of proposed wholesale produce terminal, that the total requirements of these companies will run from 35,000 to 40,000 tons of ice per annum (prevailing price $3.50 per ton) at Kansas City.

I have been generally advised that the Missouri Valley Chapter of the Warehousemen's Ass'n. held a meeting in St. Louis to organize a protest against the market enterprise in Kansas City, Kansas, but I have no specific information about the result of that meeting. I do know, however, there is a nationally known, well financed and reliably operated company which is engaged in the cold storage and ice-making business, and that that company is definitely interested in leasing the proposed new cold storage plant and obtaining the ice contract from the Union Pacific R. R. Co., and Pacific Fruit Express Company. Name and address of interested lessee of proposed cold storage plant will be furnished on your request.

Cold storage and ice companies now enjoying a virtual monopoly at Kansas City, should not try to stop a facility to be used for the preservation of human food here, and especially so, when the project is identified with a public enterprise such as Kansas City, Kansas has planned.

[fol. 176] Courteous cognizance is taken of rumors circulated by Mr. Gratz and other opponents of proposed modern wholesale food terminal, that the Union Pacific is buying the merchants, buying the market, and doing other absurd things. For purpose of brevity, I will blanket answers to each false rumors, as follows:

1. The Union Pacific has not and will not take over any leases in connection with proposed enterprise.
2. The Union Pacific has not and will not purchase any bonds offered by the City.
3. The Union Pacific has not and will not purchase the property of any wholesale produce merchant in Kansas City, Missouri.
4. The Union Pacific has and will continue to rely on judgment and opinion of the wholesale produce dealers who know the problems and difficulties of their industry and can best judge if they need or can use proposed new facilities at uniform rentals proposed by the City.

We have no desire to own or operate the market, and fully agree with the position of the City officials of Kansas City, Kansas, that the market should be run by the trade (free from political domination) under a representative plan shared in by the wholesale merchants and the farmers, all of whom earn their livelihood in the produce business. It has been represented by opponents of proposed market that the Union Pacific would foreclose a mortgage on the market and thereby obtain title to the property at small cost. It probably is not necessary to remind you that the City cannot mortgage its property and the City may only create a lien on revenues produced by the project to pay principal and interest on revenue bonds. No one can foreclose the right of a City to govern itself or divest the public of public property dedicated for public use. Also, there is nothing in the business record of the Union Pacific to justify such suspicion as the opponents of proposed project have.

The Union Pacific Railroad Company serves the fruit and vegetable growing sections of California, Washington, Oregon, Idaho, Nevada, Utah and Colorado; and to a more limited extent, Montana, Wyoming, Nebraska and Kansas. Total rail mileage of Union Pacific is 9,911 miles. The Union Pacific and the Southern Pacific each own a 50% interest in the Pacific Fruit Express Co., which own refrigerated cars for and transports an average of about 365,000 car-

loads of fruits and vegetables per annum. We make no apology for being interested in a facility to aid in the transportation and marketing of perishable foods. The commodities are iced in summertime. During cold weather it is necessary to have heat in the cars. The importance of dispatching and marketing such commodities is well understood by our organization. Map of United States, on which is shown lines of the Union Pacific, is attached.

[fol. 177] It has long been recognized that both Kansas City, Kansas and Kansas City, Missouri have no suitable wholesale market facilities. It is also known and recognized that the two Cities constitute one commercial entity and market, where uniform rates by rail, truck and barge apply to both Cities. The Union Pacific Railroad serves both Kansas City, Missouri and Kansas City, Kansas without discrimination, and we have always regarded it as one City from a transportation, trade and business standpoint.

Our engineers have cooperated with the architects and engineers of Kansas City, Kansas in planning the proposed wholesale market, and it is the opinion of our officials that the site is by character and location highly suitable for that purpose. We also believe that the market as planned would be the most efficient wholesale produce terminal in the country.

Notwithstanding the opposition emanating from selfish sources, we have assisted the officials in Kansas City, Kansas in planning the proposed wholesale market. Our principal officials have interviewed investment bankers, and have made it entirely plain that the Union Pacific will lease land from the City and spend a large sum of money based on our judgment that the market is needed and will be successful. The Union Pacific makes a physical connection with every railroad entering Kansas City and we enjoy a large interchange business with all the railroads here. Our terminals are in the center of railroad operations at Kansas City. The proposed site is in close proximity to all railroad interchanges and can be reached by level grade.

I am a member of the city planning Commission of Kansas City, Kansas. It is composed of fifteen members, including Mr. W. F. Markula and Ralph E. Carroll. I was present when the City Planning Commission endorsed the proposed project without a dissenting vote. Mr. Markula is a switchman for the A. T. & S. F. Ry. Co., and without any personal blame, I think he shares the opinion of his em-

ployer that this project would be beneficial to a competitor. Mr. Carroll conducts a retail store for the sale of new and secondhand furniture in the Armourdale District of Kansas City, Kansas. Mr. Carroll personally stated to me that he thought the terminal should be located in that section of the City. I would see no personal objection to that location if the City owned land there.

I am sufficiently acquainted with Messrs, Markula and Carroll to venture the opinion that protest filed by them, was prepared by some opposing interest desiring to hide iden-ity of real opposition.

The proposed project should not be regarded as local market. It is a wholesale facility for all of Kansas City and its trade territory. The proposed location is central to the existing wholesale facilities in Kansas City and would, in my opinion, convenience the trade over any site that could be obtained here.

[fol. 178] A centralized wholesale produce market, containing farmers wholesale market, merchants stores, service stores, cold storage plant, inspection and team tracks and suitable parking space for both buyers, sellers and transport trucks, such as proposed by Kansas City, Kansas, will in my opinion absorb the entire area owned by the City. A wholesale market should be fenced for proper policing and regulation and will require extensive sanitary facilities, lighting and all necessary utilities.

If I have not made myself entirely clear, or you desire any other further information, I will be pleased to supply same, or further verify any information contained in this communication.

Yours very truly, (Signed) G. E. Stanley.

[fol. 179] (Copy)

Omaha, Sept. 9, 1938.

Mr. Jeffers:

Mr. Stanley arrived in Washington, Tuesday morning, Sept. 6, with Mr. Breidenthal, Mayor McCombs and Ray Willette (Secretary of the Kansas City, Kansas, Chamber of Commerce) after Mr. Beidenthal had advice from Secretary Woodring that it would be helpful to the project if they would come down to push it through.

Attached is copy of handwritten letter, dated Sept. 8, from Mr. Stanley, and copy of telegram dated same day.

(Signed) J. L. Haugh.

[fol. 180] (Copy)

97Sat

Oma 9 14 38 953AM

WMJ LA

Kansas City Kans delegation had meeting yesterday with Public Works Administrator H. L. Ickes Mr. H. A. Gray Assistant Administrator Col. Clark Asst. to Administrator and Mr. Thoron, Director of Finance, who were present at meeting informed Administrator they were not ready to report and mentioned several phases of protests. Administrator refused to review case until application has been acted upon by Examining Division. Kansas City delegation is remaining in Washington to give close attention to details J 61

J. L. Haugh, 1018A

[fol. 181] (Copy)

At Washington, D. C.,
Sept. 14th, 1938.

Dear Mayor McCombs:

This is to advise you that the Missouri Pacific has not, to my knowledge, and certainly have not my permission to offer any objection to Kansas P.W.A. Project 1356, which is an application for grant only, for the purpose of constructing a wholesale perishable food market on the Public Levee at Kansas City, Kansas.

The above is in confirmation of my verbal advice to you this afternoon.

Sincerely yours, (Signed) L. W. Baldwin.

Mr. Don C. McCombs, Mayor, City of Kansas City, Kansas, c/o Room 636, Mayflower Hotel, Washington, D. C.

[fol. 182] (Copy)

Kansas P. W. A., 1356, Wholesale Fruit and Vegetable Market

Referring to basis of compensation for leasing agents fixed by agreement between city and Messrs. William Fean and Joseph DeOreo, leasing agents.

Schedules of Commissions

3.75% for first year of occupancy. (Agreements provide free rental for first three months to permit each tenant to become established before rent begins: therefore, 1.25% is properly deducted from 5% of income fixed by contract for first year.)

36% for next nine years, or 4% per annum.

50% for next twenty years, or 2.5% per annum.

89.75% of average annual rental for one year, payable over period of years, and payable only out of rentals paid to city.

Assuming income to City would average $200,000 per annum (cannot include any lease now held by the City or Modification thereof) during period of 30 years, total commission would amount to $179,500, or less than $6,000 per annum for two experienced men procuring agreements for gross revenue for City of $6,000,000 over corresponding 30 year period.

Points to consider·

1. Real estate agents are not ordinarily familiar with market practices or the produce business.

2. Farmers' lease (448 separate transactions) fix annual rent at only $21. Commission basis is not adequate compensation for work involved unless whole market enterprise is taken into account.

3. Leasing agents do not carry on general real estate business, having devoted entire time and attention to proposed enterprise since January 5, 1937.

4. Leasing agents will receive compensation monthly, based only on rents collected by City. Regular real estate agents collect commission when lease is signed and accepted by Lessor, and latter must pay commission on future, prospective and uncertain rental income not yet collected.

Submitted by Don C. McCombs, Mayor, Kansas City, Kansas.

Washington, D. C., September 26, 1938.

[fol. 183] (Copy)

At Kansas City,
Sept. 28, 1938.

Mr. Jeffers:

I talked with Mr. Stanley over the 'phone last evening. He and Mayor McCombs are at Washington. They re-

port excellent progress, and are expecting approval of the project, this week. I would not bank too much on the date, because so many things can happen to delay it.

Attached is photostatic copy of letter from Secretary Wallace to Senator McGill, stating the importance of the Kansas Market as viewed by the Department of Agriculture. This is unqualified support. The letter has been filed with the P. W. A.

(Signed) J. L. Haugh.

[fol. 184] (Copy)

Union Pacific Railroad Company

Telegram

Washn DC 10 6 38
JLH OMA WMJ OMA

Secretary Ickes Today Said he Would Not Approve Application of Kans-City Kansas While it Provided Method to Pay Agents Six Thousand Dollars Per Year for Thirty Years but Clearly Implied That Project Would be Approved if Commission is Satisfactorily Adjusted Also Denied Kansascity Mo Application on Ground That it Was Proceeding With Construction Without PWA Approval Mayor McCombs Breidenthal and I Are Conferring With Fean and Deoreo in Attempt to Modify Agreement. Will Advise Later. JT JLH WMJ OMA C R Gray NY G E Stanley

[fol. 185] (Copy)

City of Kansas City, Kansas

October 7, 1938.

Honorable Harold L. Ickes, Administrator, Public Works Administration, Washington, D. C.

Dear Sir:

Re: Kansas P. W. A. Project No. 1356, Fruit and Vegetable Market, Kansas City, Kansas.

According to press notice yesterday you personally objected to the Commission arrangement between the leasing agents and the City.

The City recognized that this worthy project could not be financed without a Federal grant and the agreement between the leasing agents and the City was on a strictly contingent basis.

Accordingly, I arranged over telephone last night for my colleague, H. F. Schaible, City Commissioner, and Mr. A. H. Skinner, City Attorney to fly here last night. I also confer-ed with the other City Commissioner, George T. Darby, over the telephone and have his full consent on anything that I do. Mr. Schaible, Mr. Darby and myself constitute the entire governing body of the city.

I also asked Mr. William Fean and Mr. Joseph DeOreo, leasing agents for the city to come here by air plane and they arrived here this morning. After a conference between Mr. Schaible Mr. Skinner and myself representing the City and Messrs. Fean and De Oreo representing themselves, it was agreed that the existing contract be canceled and I herewith submit to you the agreements signed in duplicate, with cancellation noted on each.

We desire only to withdraw the City's copy of the agreement for our permanent record and file because it is a public document and should be on file in the City Clerk's office.

Respectfully yours, (Signed) Dan C. McCombs, Mayor; H. F. Schaible, City Commissioner.

Approved: (Signed) Alton H. Skinner, City Attorney.

This letter is approved by us. (Signed) Wm. Fean, Joseph DeOreo.

[fol. 186] (Copy)

Omaha, Oct. 8, 1938.

Air Mail Special Delivery.

Mr. G. E. Stanley, Mayflower Hotel, Washington, D. C.

Referring to your request by telephone this morning, I am attaching herewith voucher for $2,000.

You have done a noble job.

(Signed) J. L. Haugh.

Union Pacific Railroad Company

Telegram

Omaha, October 8, 1938.

Toland to Haugh.

Your mailgram, date:

Herewith Voucher No. 709102 in favor of Mr. G. E. Stanley, amount $2,000, for expenses in connection with Kansas City Food Terminal. G-558.

• • • • • • •

Union Pacific Railroad Company

Telegram
Mailgram

Omaha, Oct. 8, 1938.

Haugh to Toland:

Please let me have Union Pacific R. R. Co. voucher for $2,000 in favor of Mr. G. E. Stanley for expenses in connection with Kansas City Food Terminal.

I would like to air mail it to him at Washington, today.

He will later furnish an itemized statement, and the amount will be recollectible when the Food Terminal is approved.

[fol. 187] (Copy)

Union Pacific Railroad Company

Telegram

Omaha, Oct. 10, 1938.

FWC—New York, CRG—New York.

Noon issues Kansas City Star and Kansas City Journal carry front page news items PWA approves Kansas City Food Terminal. Announcement made through Senator McGill, which provides there be stricken from application and contract any provision to pay commissions real estate men.

Agreement has already been reached with real estate agents, cancelling their contract, and necessary ordinance and publication thereof will be mailed from Kansas City, Tuesday, to PWA. This will complete the approval.

The approval further will be contingent upon sale of bonds. Before bonds are sold, the necessary leases must be concluded to support revenue, and this will be attended to promptly. Mr. Haugh has meeting to negotiate cold storage lease in Chicago, on Friday. J-185. Jt. FWC, CRG.

W. M. Jeffers.

[fol. 188] Omaha, Oct. 17, 1938.

Mr. Jeffers:

The Kansas City Food Terminal is estimated to cost	$3,799,035
The PWA has approved allotment of 45% of this cost	1,709,565
	$2,089,470
The city will cover from other funds	122,470
Leaving to be covered by revenue bonds	1,967,000
Adding to this the present elevator bonds to be refunded	1,033,000
Produces the amout of the proposed issue of revenue bonds	$3,000,000.

The PWA grant is contingent upon the sale of the revenue bonds.

In order to consummate the sale of the revenue bonds, there must be concluded leased with nationally-known, reliable concerns, that will provide enough rental for the full thirty-year period to pay interest and amortization on the bonds. Then, there will be a great many leases to wholesale dealers, brokers, farmers and others that will serve as a cushion.

The Union Pacific is one of the lessees, and before the Union Pacific lease is executed we want to be certain that a sufficient number of leases with wholesale dealers, brokers, farmers and others are completed to insure success of the market so as to avoid the payment by Union Pacific of any more than the minimum rental to be provided in its lease.

We have until Dec. 31 to get all of these negotiations completed, contracts awarded and construction under way.

Following are some of the negotiations that must be completed, before the bonds can be sold, and coincident therewith, before any construction work can be undertaken:

(1) Lease of cold storage and ice plant. I have been negotiating with the City Ice and Fuel Co. of Cleveland, Ohio, for this lease, and have secured from them the best proposition that they are willing to undertake, which is a rental of $35,000 per annum. This was set up in the esti-

mate for an amount of $53,000, so we must get from other substantial concerns, leases that will take up the difference of $18,000.

[fol. 189] (2) Ice contract between lessee of cold storage plant and Union Pacific—P. F. E. Co. I have negotiated this practically to conclusion with the City Ice and Fuel Co.

~~(3)~~ Lease of gasoline and oil service concession. We have, in the estimate, an amount of $10,000 for the lease of land available for this purpose. We will negotiate with several nationally-known oil companies in an endeavor to get a lease that will provide the necessary rental. This will leave $8,000 to secure from other sources.

(4) Will try to secure a new lease with the Board of Public Utilities of Kansas City, Kansas, providing for a minimum and a maximum, the maximum to be sufficient to absorb the $8,000.

(5) Lease from the city to Union Pacific for team track yard property. We have reported to the Executive Committee that this lease would be on the basis of a minimum rental of $10,760 and a maximum rental of $40,000. On account of the graduated scale of rental on the grain elevator, the maximum rental will need to be about $45,000. This cannot be definitely determined until the other leases are concluded.

(6) Purchase of property from Phillips Petroleum Company to accom-odate the team track yard, leads and hold yard. We have already talked with the Phillips Company about this, and they are agreeable to selling the property, but we have not negotiated it to conclusion. The estimated cost of this land is included in the estimate of $556,666 for construction of the team track yard.

(7) Construction of a new dike by the U. S. War Department, for flood control, that will permit proper alignment of trackage north of Jersey Creek. This requires an expenditure by the Government of about $1,400,000 for a new dike that will extend from a point souch of Jersey Creek north to Goose Island, adding more than 700 acres to the property owned by the KCILCo. and Fairfax Airports, Inc. The five-year period of redemption under the contract between the Airports Co. and the Land Co. expires Dec. 31, this year.

(8) Adjustment of joint industrial trackage lease held by Union Pacific and Missouri Pacific on property south of Jersey Creek. This involves negotiations with the Missouri Pacific, and is apt to be very troublesome. This lease was made before the Food Terminal was thought of. It is necessary to adjust the trackage to the change in plan occasioned by the Food Terminal.

(9) Leases upon 79 wholesale dealers' units.

(10) Leases upon 450 farmers' market stalls.

(11) Leases upon 30,000 square feet of office space to brokers and others.

(12) Lease upon northerly store unit block 40' x 450'.

[fol. 190] (13) Leases upon other buildings space for which land is available.

(14) Adjustment of present lease of Elliott Boat Company by cancellation. The ground occupied by this lease is not being used by the Elliott Boat Co., and will be required for Food Terminal purposes.

(15) Adjustment of description of lease with Inland Waterways Corporation.

(16) Organization of an association of dealers that is to operate the market.

(17) Development of rules and regulations by the association of dealers for operating the market that will be covered by city ordinance.

(18) In order to make certain that the revenue bonds issued for the Food Terminal will not be a tax obligation of the city, it will be necessary to have a suit brought by a tax-payer and adjudicate the matter through the State Supreme Court.

(19) Filing of tariff to cover switching operating of the terminal. Securing approval of PWA to this tariff. The PWA Legal Department said they wanted to review this tariff before it is filed to see that the cars of all roads will be admitted and that the charges will be no more than at other national markets.

(20) Securing concurrence of the several Kansas City Lines to absorb the switching charge.

(21) Determination through conference with each of the other Kansas City Lines about the handling of interchange for the Food Terminal.

There are other minor matters which I have not covered in this memorandum. I have covered the principal ones in order that you may know the large number of important matters that must be completed very promptly. Time is ticking on this proposition because the PWA allotment will not be held open indefinitely.

We have already made progress on most of the above items, and there is nothing insurmountable in the way of anything. It will require, however, a great deal of diligent effort.

(Signed) J. L. Haugh.

cc—Mr. H. C. Mann, Mr. F. W. Robinson, Mr. G. E. Stanley.

[fol. 191] PLAINTIFFS' EXHIBIT No. 6

Pages 32 to 36, inclusive, were deleted by counsel at the suggestion of the Court. (See Tr. pp. 300 and 301.)

[fol. 192] (Copy)

Omaha, Oct. 21, 1938.

Mr. Jeffers:

Following my letter from Kansas City about the action of the Kansas City, Misouri, Chamber of Commerce:

Attached is a very fine editorial from the Kansas City Star of Oct. 20, entitled "Pull Together", suggesting that a possible basis for discussion appears in the following statement of Mayor McCombs of Kansas City, Kansas:

"The market here will not be competitive to the Kansas City, Mo., market. Our market is to be a wholesale market; that of our neighboring city, retail."

Several of the members of the Board of the Missouri Chamber were talked to, and after realizing what had been done, they seemed very much embarrassed and chagrined about it.

There is also attached the front page of the Kansas City Kansan. This is a Capper paper, and a competitor of the Star in Kansas. They did just exactly what we didn't want them to do. While we were trying to smooth things over, and leave a good feeling, they came out with this terrific

bombardment against Kansas City, Mo., using five of the eight columns of their front page for the purpose.

(Signed) J. L. Haugh.

[fol. 193] (Copy)

Union Pacific Railroad Company

Kansas City, Mo.

Mr. J. L. Haugh:

Just returned from luncheon tendered by Roy Roberts in honor of Secretary Woodring. There were about 15 Missourians and 5 Kansans. About the only thing talked about was proposed market and Woodring sure sold the project to K.C., Mo. men that were present.

Harvey Couch and Willard Breidenthal had good chat about the enterprise. Couch argued in conversation, but it is pretty much to expect his cooperation.

(Signed) G. E. S.

10/22

[fol. 194] (Copy)

Omaha, Oct. 24, 1938.

Mr. B. H. Prator:

The Kansas City Food Terminal project is about to proceed.

PWA has approved a grant of	$1,709,565
Revenue bonds will be sold to provide an additional	1,967,000
The City will provide from other funds	122,470
Making up the total estimated cost of	$3,799,035.

Architectural and engineering work for the City is to be handled as follows:

(1) Gentry, Voskamp & Neville, Kansas City, Missouri, will handle the architectural and engineering work on the four large wholesale dealers' buildings.

(2) Joseph W. Radotinsky will handle the architectural and engineering work on the farmers' market, cold storage plant and auction building.

(3) Walter F. Schulz will handle the engineering work on the enclosure of Jersey Creek, sewers, paving and general engineering features.

Three other architectural and engineering firms are to collaborate.

Horner & Wyatt will collaborate on structural steel design for the wholesale dealers' buildings.

The Ball Ice Machine Company will collaborate on cold storage and ice plant.

Another architectural firm of Kansas City, Kansas, headed by Cecil W. Cooper, will collaborate with Radotinsky on the farmers' market.

Walter Schulz advises that the present preliminary plans call for five tracks to cross Jersey Creek. He is designing the deck of the culvert structure at the track crossing on the basis of Coopers #-60 loading, with the usual impact allowance as prescribed by the American Railway Engineering Association. He asks if this meets the approval of the Union Pacific. Will appreciate your advice.

(Signed) J. L. Haugh.

cc—Mr. H. C. Mann.

[fol. 195] (Copy)

Federal Emergency Administration of Public Works

Washington, D. C.,
Dated: Oct. 24, 1938.
Docket No. Kans. 1356-F.

City of Kansas City, Kansas,
Kansas City, Kansas.

1. Subject to the Terms and Conditions (PWA Form No. 230, as amended to the date of this Offer), which are made a part hereof, the United States of America hereby offers to aid in financing the construction of a food market and terminal, including necessary equipment and incidental facilities (herein called the "Project"), by making a grant to the City of Kansas City, Kansas (herein called the "Applicant"), in the amount of 45% of the cost of the Project upon completion, as determined by the Federal Emergency Administrator of Public Works (Herein called the "Administrator"), but not to exceed, in any event, the sum of $1,710,000.

2. By acceptance of this Officer the Applicant covenants to begin work on the Project as early as possible but in no event later than 9 weeks from the date of this Offer and

to complete such Project with all practicable dispatch, and in any event prior to June 30, 1940.

3. This Officer is made subject to the following special conditions:

(a) The facilities of the Project shall be made available to all railroads entering Kansas City, Kansas, upon fair and reasonable terms and without discrimination:

(b) All contracts for service of the Project by the railroads, including provisions for switching, joint use of trackage, and other facilities, shall be satisfactory to the Administrator.

(c) All fees to be paid real estate agents, directly or indirectly, shall be eliminated:

(d) That certain contract entered into June 16, 1938, between Applicant and Joseph DeOreo and William Fean, whereby the latter are employed to secure tenants for the Project, shall be abrogated; Ordinance No. 29906 authorizing said contract shall be rescinded and repealed; any and all other contracts of like tenor shall be duly abrogated; and no further contracts or agreements of such or of similar tenor shall be authorized, made or executed;

[fol. 196] (e) That, within not to exceed 15 days from the date of this Offer, the Applicant will deposit in the Construction Account, described in the Terms and Conditions, its entire share of the estimated cost of the Project upon completion, as determined by the Administrator, and, in any event, not less than $2,090,000; and

(f) That, if the Administrator shall determine at any time that the Applicant has paid or agreed to pay, whether directly or indirectly, a bonus, commission or fee to any person, firm or corporation for attempting to procure an approval of the Applicant's application, or for alleged services in procuring or attempting to procure such approval, or for activities of the nature commonly known as lobbying performed or agreed to be performed in connection with the application, then the Administrator shall have the right, in his discretion, to rescind this Offer and any agreements resulting herefrom, and, in the event of such rescission, the United States of America shall be under no further obligation hereunder.

United States of America, Federal Emergency Administrator of Public Works. By E. M. Clark, for the Assistant Administrator.

[fol. 197] (Copy)

October 25, 1938.

This committee, while it has no assurance or commitment from anyone, would undertake to provide remuneration for Mr. William Fean and Mr. Joseph DeOreo in connection with their services in promoting the wholesale perishable food market to be located on the public levee in Kansas City, Kansas, states that it will use its efforts in obtaining funds with which compensation could be made for past services and future services to be rendered according to memorandum submitted today. The suggested compensation to be as follows:

Services of Messrs William Fean and Joseph DeOreo

1. To repay in part out-of-pocket expenses incurred up to date, $5,000.00.

2. Further payment when contract is let for construction of wholesale market units 1, 2, 3 and 4, $5,000.00.

3. When market officially opens (if 60% leased to paying tenants) $10,000.00.

4. When market is one year old (if 75% leased to paying tenants) $10,000.00.

5. When market is two years old (if 85% leased to paying tenants) $5,000.00.

The above services to be performed without direct or indirect obligation on the city of Kansas City, Kansas.

[fol. 198] (Copy)

At Kansas City,
Oct. 25, 1938.

Mr. G. E. Stanley:

Confirming our understanding with Mr. Robinson, this morning:

He directed that Mr. Reed will develop rules and regulations governing the farmers' market and articles of incorporation for a farmers' marketing association.

Mr. Armstrong agreed that he will develop rules and regulations governing the wholesale dealers' market and articles of incorporation for a wholesale dealers' associa-

tion. In addition to that he will develop articles of incorporation for a marketing association that will include the wholesale dealers and farmers for the general operation of the market at the Kansas City Food Terminal.

(Signed) J. L. Haugh.

cc—Mr. F. W. Robinson. Mr. J. T. H. Armstrong, Asst. Gen. Mgr., P. F. E. Co., Chicago. Mr. C. C. Weedin. Mr, E. G. Reed.

[fol. 199] (Copy)

Union Pacific Railroad Company

Telegram

Translation

Kans City, Oct 25, 1938 WMJ, JLH, Omaha

Have preliminary advice from bankers who are to handle Kansas City Food Terminal Company bonds that Prudential Life Insurance Company, with whom they talked last few days, advise that they are unwilling to purchase bonds because of advice they have from certain competitive railroad that the purchase of these bonds would assist in subsidizing the market which would — unfair — advantage their competitor, the UPRR Co.

This is preliminary only.

Mr. Stanley and I will go to St. Louis tonight to meet Mr. Stifel, President of the banking firm, to get further details. Will advise you after that. Orig. WMJ, cy JLH. J-4.

(Signed) J. L. Haugh.

[fol. 200] (Copy)

Memorandum

Kansas City, Mo. — October 25, 1938.

Mr. G. E. Stanley:

Further, in connection with calls being made on representatives of produce firms here, to develop their views concerning the new produce terminal to be built on the Kansas, — Kansas site, I am pleased to report the following additional firms interviewed.

Helm Produce Co., Mr. Helm:

Does not favor market on the Kansas site. Feels the present location is preferable, and new buildings planned there will fully take care of the perishable marketing. Mr. Helm, however, is not antagonistic to our company in any way.

Yukon & Son:

Mr. Si Yukon favors the change to new location in Kansas, appreciating the need of a new and substantial property to fully take care of these operations.

Milgram Stores, Mr. Milgram:

Extremely busy, and had not given much thought to this. Did not criticize our efforts in any way, and said would endeavor to make such arrangements as might be necessary to take care of their operations when the time came for any changes.

Triway Produce Co., Mr. Yankee:

Explained that owing to the building of their own new terminal on Roanoke Road which will be served by the Frisco Lines, he will not locate at either the Kansas or Missouri markets. However, it was his thought the present site was most desirable, owing to its long previous use—that he did not believe it possible to operate two terminals profitably. He has always been favorable to our line, and do not anticipate any change in his attitude toward us, even though the Kansas location does not apparently appeal to him.

Atlantic Commission Co., Mr. Lytton:

Explained their operations would not be affected, as he would continue in his present location, and have no space at either location, if both sites are used. He did not, however, think it advisable to try and conduct two markets, as felt the city could not support them, and seemed to think it would be somewhat difficult to attract all interest to the Kansas side in view of the long use of the present Missouri

site. It would at least take some time. Am pleased to advise, however, that Mr. Lytton has always been very friendly towards us, and believe we can expect to receive their usual support.

If can develop further information in regard to this matter, will promptly advise.

(Signed) R. A. Peters.

[fol. 201] (Copy)

Merchants Division

1. Secure leases from Joseph DeOreo without obligating City directly or indirectly.

2. If for any reason it is necessary to change form of merchants lease, service of Mr. DeOreo will be necessary in obtaining signatures on new leases.

3. Leases for about 20 units @ $150.00 per month including cash and carry grocers, wholesale meats, etc., allied lines.

4. Leases for office space on second floor consisting of about forty separate firms, such as jobbers, brokers, etc.

5. Cooperate in organization of trade association and formulation of rules and regulations.

6. Not less than two years service in cooperating with operation of market.

Farmers Divisions

1. Secure necessary leases from Wm. Fean without obligating City directly or indirectly.

2. If for any reason new lesses are necessary, Mr. Fean should secure signatures on same.

3. Leases for approximately 175 additional stalls to producers and growers.

4. Cooperate in organizing of farmers' association and in preparing rules and regulations for operating of farmers' market.

General

1. Assign space to various lessees.

2. Cooperate in all matters concerning methods of operation and management of market.

[fol. 202] (Copy)

Union Pacific Railroad Company

Telegram

Chicago, Oct. 26, 1938.

C. R. Gray, New York.
F. W. Charske, New York.
P.R.——, Omaha.

Orig. CRG Cy FWC PR. As a matter of information following is telegram from Mr. Haugh. Quote. Have preliminary advice from Bankers who are to handle Kansas City Food Terminal Bonds that Prudential Life Insurance Co. with whom they talked last few days, advise that they are unwilling to purchase bonds because of advice they have from certain competitive railroad that the purchase of these bonds would assist in subsidizing the market which would unfairly advantage their competitor, the Union Pacific Railroad. This is preliminary only. Mr. Stanley and I will go to St. Louis tonight to meet Mr. Stifel, President of the Banking firm to get further details. Will advise you after that. end quote. It would seem to me that this is the sort of a proposition that would interest any number of strong financial institutions in New York.
J-70.

W. M. J.

[fol. 203] (Copy)

Union Pacific Railroad Company

Telegram

Omaha, Nebr.—Oct. 26, 1938—J. L. Haugh, Kansas City

J-5. Prints will be mailed today. D-147.

M. T. T.

CC—Mr. J. L. Haugh, Omaha.

[fol. 204] (Copy)

Union Pacific Railroad Company

Telegram

Kansas City, Oct. 26, 1938.

M. T. Terrill, Omaha.
J. L. H., Omaha.

Please send a blueprint of the revised 100 foot scale plan of K. C. Food Terminal to each of followsing: Walter F. Schulz, 870 Shrine Bldg., Memphis, Tenn. Gentry, Voskamp & Neville, 4 West 13th, Kansas City, Mo. Joseph W. Radotinsky, Commercial Natl. Bank Bldg., Kansas City, Kans., with advice that it is per my request. Orig. MTT, Cy. JLH. J-5.

(Signed) J. L. Haugh.

[fol. 205] (Copy)

Union Pacific Railroad Company

Telegram

Translation

New York, Oct. 27, 1938 W. M. Jeffers, Omaha

J-70. Would appreciate advice as soon as Messrs. Haugh and Stanley have discussed this matter with Mr. Stifel. We have carefully checked the financial interests of the Prudential in the UPRR and AT&SF and there is not enough difference so as to justify any substantial attitude either way. We have also checked the list of directors and cannot find that there are any interlocking interests. I know Vice President Stedman, who handles Prudential investments, and candidly doubt that he, at least, has taken any such position as indicated. Number 535.

(Signed) C. R. Gray.

[fol. 206] PLAINTIFF'S EXHIBIT No. 7

President's File No. 912

Volume 6

[fol. 207] (Copy)

Union Pacific Railroad Company

October 28, 1938.

Mr. J. L. Haugh, Vice-President, Union Pacific Railroad Company, 120 Broadway, New York City, N. Y.

Dear Mr. Haugh:

Attached you will find form of revenue bond prepared by Bowersock, Fizzell & Rhodes, bond attorneys of this City.

The attached form varies in two material particulars from the one prepared by Mr. Skinner.

1st. Mr. Skinner's form provided that the bonds and interest were payable solely from net revenue received, while the attached form omits the word "net" and conforms to the statute.

2nd. Mr. Skinner's form provided that certain bonds could be called for payment at the option of the City at par value plus premium of 2% of such par value, together with accrued interest, while the attached form limits the premium to 1%, plus accrued interest.

Mr. Fizzell explained to me that the law for refunding bonds limited the premium to 1% and probably implied a general limitation. He further advised that this should not affect the saleability of the bonds.

The Chamber of Commerce of Kansas City, Kansas today, received a very civil letter from the Chamber of Commerce, Kansas City, Missouri, requesting conference for Thursday, November 3rd, stating that State lines and petty matters would be omitted from consideration in proposed conference. Other than that, there has been no other changes in the local situation since you left here yesterday.

Very truly yours, (Signed) G. E. Stanley.

[fol. 208] (Copy)

Telegram

New York, October 29, 1938.

Guy Stanley, Kansas City:

Am obliged to be here Monday and will not have any information for you until after that. Situation very difficult.

J. L. Haugh.

[fol. 209] (Copy)

Telegram

7 Kansas City Oct. 30 7:55 p. m. Rush

J. L. Haugh:

Proposed form of bond to be dated November 1, 1938, and accompanying my letter to you of October 28th was prepared by Bowersock, Fizzell & Rhodes, bond counsel and has been approved by our attorney, A. L. Berger and A. H. Skinner City Attorney. The providing ordinance also prepared by bond Counsel and likewise approved by Mr. Berger and Mr. Skinner was mailed to you this evening air-mail special delivery.

If the providing ordinance and form of bond meet with your general approval the proposed ordinance together with any reasonable change in maturities or otherwise suggested by you not later than Monday evening, will be enacted at regular meeting of City Board at 10 o'clock Tuesday morning. Immediately following the passage of ordinance, it will be published in official city paper and thereby fix legal status for court action.

Attorneys in cooperation with the Attorney General of Kansas have prepared pleadings in suit to be filed in name of State. This suit will raise all possible legal questions. The handling of the suit has been so organized that case will be filed in Supreme Court of Kansas on Tuesday afternoon following publication in official paper. The Court will be urged to set the case for hearing and arguments on Saturday Nov. 5th and further requested to announce judgment on that day. Mayor McComb has agreed to leave here Tuesday afternoon by plane for Washington to work out any or all necessary details of the grant agreement.

In case an extension of time cannot be readily obtained, bond counsel for the City and the City Attorney agree pro-

ceeds of bond issue may be deposited in Federal Reserve Bank under terms of safeguarding agreement between bankers and the City pending full legal approval, lithographing of bonds, registration, delivery and other details.

Mr. Skinner advises that agreement with Stifel, Nicholas and C. expired by terms of their own proposal and extension thereto on Oct. 15, 1938.

The City is therefore in position to enter into contract for sale of its revenue bonds at regular meeting to be held on Thursday November 3rd at 10 A. M.

G. E. Stanley.

[fol. 210] (Copy)

Telegram

Union Pacific Railroad Company

October 31, 1938.

G. E. Stanley, Kansas City:

Letter from Mr. Stifel relinquishing agreement will be very helpful. These bonds will be sold on lower basis of rentals than included in Mayor's letter to him of July 12.

J. L. Haugh.

Telegram

108 K. C. Oct. 31 2:48 p. m.

J. L. Haugh:

Mr. Stifel just called me by 'phone advising that he will today write me a letter to the effect that his company will relinquish agreement without charge or expense provided bonds are sold to some other firm on same basis offered. but if security has been increased he expressed view that new purchaser should assume expense incurred to date estimated at $8,000.

G. E. Stanley.

[fol. 211] (Copy)

St. Louis, October 31, 1938.

Stifel, Nicolaus & Co., 314 No. Broadway, St. Louis, Mo.

Mr. G. E. Stanley:

We appreciate more than we can express the most cooperative attitude expressed by you over the telephone

today when you requested of us that we give assurance of our willingness to release the City of Kansas City, Kansas, of its obligations to us in the proposed Terminal Bond issue, and we hasten to assure you that immediately upon advices from you, or any other official of the Union Pacific Railroad, that the bond issue as now set up can be placed, any and all necessary formal release will be promptly forthcoming.

We would, however, like to recover expenses incurred by us in assisting you and others in the development of this deal, and therefore would appreciate your bearing same in mind and should there be any revamping or any additional security be given the bonds, along the lines we discussed with you and Mr. Haugh, we would expect to be given first opportunity to consider such financing. Otherwise, as stated previously, if the bonds can be placed as now set up, we will promptly withdraw without any reservations.

Thanking you for your kind consideration and continued cooperation, we are

Very truly yours, (Signed) A. G. Stifel, President.

[fol. 212] (Copy)

Brown and Loe

Fruits and Vegetables

Carlot Brokers

Kansas City, Missouri

October 31, '38.

Mr. W. M. Jeffers, President, Union Pacific Railroad,
Omaha, Nebr.

Dear Mr. Jeffers:

Please find enclosed last week's issue of The Kansas City Packer which contains news articles that may be of special interest to you. Also enclosing a clipping from yesterday's Kansas City Star. It is my personal opinion, the Kansas Terminal if built, will be anything but a "bed of roses" for those that are interested and feel there is great possibility of the terminal never being used for its original intended purpose. The same situation would apply if a terminal market would be built in North Kansas City or elsewhere outside of Kansas City, Missouri city limits.

I started in the brokerage business on the Kansas City market back in 1921. I do not consider myself an authority but feel that I do know something about Kansas City produce men.

It might interest you to know that no Union Pacific official discussed the Kansas terminal with the writer before Friday a week ago. Being in the brokerage business and having five offices in the Merchants Bank Building does not mean that we have to be where the market is to run our business. Regardless of what takes place, we will continue to run our business from Kansas City, Missouri. Under no circumstances will we move.

Our firm owns no property in any market district. We are under no obligation to anyone. We are for whatever is best for our local industry.

There is positively going to be a market on the present Kansas City, Missouri site. Every produce man that I have talked to on this market, agrees on one thing—that is, two markets would do a grave injustice to the local Fruit and Vegetable industry provided that some firms should move over to the Kansas terminal. You can well appreciate that little if any consideration has been given to our firm by the Union Pacific, this is just an example.

I was introduced to you at Boise last April. Our meeting took place immediately after the close of the Railroad luncheon. I enjoyed your talk ever so much.

Will appreciate hearing from you and having your reaction. With kindest personal regards, I remain

Very truly yours, Brown and Loe, (Signed) Dudley Brown.

[fol. 213] Telegram

Cedar City 10 31 38 550P
FWC New York PR OMA

Orig FXW CY PR number 544 I recommend Union Pacific purchase the bonds J 92.

WMJ

Telegram

NY 10 31 38 348P
W M Jeffers on Line & Ret
Re. Kansas City Food Terminal

We here are of the opinion that rather than agree to a maximum rental for the land on which team — yard is to be

located of an amount sufficient to insure interest and amortization on the $3,000,000 of bonds to be sold by the City, it would be better for Union Pacific to purchase the bonds, thus limiting the rental under the lease to $10,760 per year. Do you concur? Would like to have answer before 10:00 a. m. New York time Tuesday. Number 544.

F W Charske

Western Union Telegram

NK 161 CAK—Kansas City MO 31 918P

J L Haugh
Waldorf Astoria Hotel

Mr. Armstrong and I conferred with Mayor McCombs and Commissioner Schaible late this afternoon and both agreed to terms suggest by you over telephone regarding Union Pacific leave also switching tariffs. Commissioner Darby was not present but will be available at meeting scheduled at nine o'clock tomorrow morning at which time we will obtain unanimous approval on all details which will be verified by written application to PWA signed by all members of the board. Mayor McCombs wired Colonel Clark for appointment Wednesday morning and has reservation to leave here by plane at two o'clock PM tomorrow arriving Washington about ten o'clock PM he will have all necessary consents and expects to meet you Mayflower Hotel Wednesday night or Thursday

G E Stanley

[fol. 214] Telegram

26 K. C., Nov. 1 8:00 AM

J. L. Haugh:

Please consider advisability of making purchase agreement in name of nominee. W. J. B. would serve without disclosing principal.

G. E. Stanley

[fol.] 215 (Copy)

Telegram

New York, November 1, 1938

Guy Stanley
Kansas City

I can see no reason for not disclosing principal in purchase of bonds. This will show up on all Union Pacific re-

ports to Interstate Commerce Commission and I had in mind that it would be disclosed immediately.

J. L. Haugh

[fol. 216] (Copy)

Kansas City, November 1, 1938

Mr. J. L. Haugh, Hotel Mayflower, Washington, D. C.

Dear Mr. Haugh:

Attached is form of bond purchase agreement prepared by Bowersock, Fizzell & Rhodes, Bond Counsel of this City, covering sale of $3,000,000. of Public Levee Terminal Revenue Bonds of Kansas City, Kansas.

Mr. Fizzell will write Judge Clark direct, advising that the bonds are exempt from local taxation in Kansas. He will also express his opinion about status of the bonds in relation to federal and state income taxes.

Very truly yours (Signed) G. E. Stanley.

CC mr. W. M. Jeffers, President
F. W. Charske, Chairman, Executive Committee
Henry Clark, Vice-President & General Counsel

[fol. 217] (Copy)

To The City of Kansas City, Kansas:

The undersigned, Union Pacific Railroad Company, a Utah corporation, hereby offers to purchase from you $3,000,000 principal amount of Public Levee Terminal Revenue Bonds of the City of Kansas City, Kansas, to be dated November 1, 1938, to become due serially on November 1 in the years 1940 to 1968, inclusive, as specified in Ordinance No. 30206 of said City passed and approved November 1, 1938, said issue consisting of 3000 bonds, numbered from 1 to 3000, inclusive, each in the denomination of $1,000, bearing interest at the rate of 4% per annum, payable semi-annually on May 1 and November 1 in each year, bonds numbered 1501 to 3000, both numbers inclusive, being redeemable at the option of the City on the respective dates and subject to the conditions specified in said ordinance. For said bonds, we will pay you the par value of the principal amount of said bonds, to-wit, the sum of $3,000,000, together with any interest accrued on said bonds at the coupon rate from the date of said bonds to the date on which delivery of said bonds is made to us.

This bid is subject to the approval of the legality of said bonds and all proceedings had by the City of Kansas City, Kansas, in relation to the authorization and issuance of said bonds by Bowersock, Fizzell & Rhodes, Attorneys, of Kansas City, Missouri, whose unqualified approving opinion shall be furnished by you without expense to the undersigned, and the like legal opinion of Henry W. Clark, Attorney, of New York City, whose fee shall be paid by the undersigned without expense to the City. You shall also furnish us with a fully certified transcript of all proceedings evidencing the authorization and issuance of said bonds.

In the event of your acceptance of this offer, we agree to designate a competent civil engineer who shall co-operate with your engineer in all matters relating to the construction of improvements of and additions to the Public Levee of the City of Kansas, City, Kansas and such engineer shall have the right, in conjunction with your engineer, to inspect and approve all plans and specifications covering the making of said improvements and additions, and in conjunction with your engineer shall have the right to approve estimates covering payments for all work, and likewise, in conjunction with your engineer shall have the right to assist in the supervision of all construction and the inspection of all work done, to all of which the City agrees by the acceptance of this proposal. The fees of said engineer shall be paid by the undersigned, without expense to the City.

[fol. 218] In the event of your inability to make delivery of said bonds to us with legal opinions as aforesaid on or before December 1, 1938, then this contract may be terminated at our option.

Dated this — day of November, 1938.

Union Pacific Railroad Company, By —— ——

The foregoing offer is hereby accepted this — day of November, 1938, and the bonds therein described are hereby ordered sold and delivered in accordance with the terms of said offer.

City of Kansas City, Kansas, By —— —— Mayor

Attest: —— ——, City Clerk

[fol. 219] (Copy)

November 1, 1938

Mr. F. W. Charske, Chairman, Executive Committee Union Pacific Railroad Co., 120 Broadway, New York City, N. Y.

Dear Mr. Charske:

Complying with Mr. Haugh's wire, I am transmitting copy of providing ordinance today passed by Board of City Commissioners of Kansas City, Kansas, and copy of proposed sales agreement for the bonds prepared by Bowersock, Fizzell and Rhodes.

I believe the bond purchase agreement should provide that proceeds of revenue bond issue will be used in conjunction with funds furnished by federal grant, also the purchaser should be given option to purchase additional issue of $1,000,000. or any part thereof at par and accrued interest, if subsequently issued under terms of the providing ordinance.

The Board of City Commissioners have authority to sell these bonds for par without taking competitive bids. The City Board acts by passing ordinance, authorizing Mayor and City Clerk to execute acceptance of proposal. The ordinance must first be introduced at a regular meeting and may be passed on second reading at next regular meeting. The meetings occur on Tuesday and Thursday of each week.

Very truly yours, G. E. Stanley.

CC Mr. W. M. Jeffers, Mr. J. L. Haugh.

[fol. 220] Telegram

Union Pacific Railroad Company

November 1, 1938

W. M. Jeffers, Omaha & On Line.

Am leaving here for Washington. Will meet Mayor McCombs and Mr. Davis for appointment with PWA tomorrow morning to secure their approval of U. P. lease on city land and tariff covering switching at the terminal. PWA included in their offer of grant two conditions that these two matters should be satisfactory to PWA and these must be cleared before bonds can be purchased. Committee today approved purchase of bonds. After talking with Messrs.

Charske, Gray and Harriman it was decided not to recommend cold storage proposition at this time because of long period for ice contract, as it was preferred to even omit construction of cold storage plant if more staisfactory arrangement could not be developed. By reason of outside bankers being eliminated, it is not so immediately pressing to make that lease. I will endeavor to work out another plan. (W. M. J., Omaha & On Line).

J. L. Haugh.

[fol. 221]

November 1, 1938.

Memo for Mr. Haugh:—

Kansas City Food Terminal

It would probably facilitate and expedite the closing of the bond transaction if the ordinance or resolution which authorizes the acceptance of our bid for the issue includes specific authority for the municipal officers to execute and deliver temporary bonds as well as definitive bonds. We could then take in the first instance temporary bonds, typewritten or mimeographed, to be exchanged later for the definitive bonds prepared at leisure. Treasurer Smith suggests that it would be convenient to have one temporary bond for the amount necessary to pay off the R. F. C. prior holding and perhaps only one other temporary bond for the balance of the three million dollars. An escrow arrangement could be made to cover the simultaneous payment by us for the bond equalling the amount due R. F. C., the delivery of the bond to us, the paying-off of R. F. C. and the surrender of its bonds for cancellation.

(Initialed) H. W. C.

[fol. 222] (Copy)

Telegram

Union Pacific Railroad Company

November 1, 1938

Mr. G. E. Stanley, Kansas City

Please send to Mr. Charske copy of ordinance passed today by City Commission authorizing form of indenture and also send copy of proposed sales agreement for bonds, and advise him that if it is necessary to cover sales agreement by ordinance.

J. L. Haugh

[fol. 223] (Copy)

Western Union Telegram

Translation

Washington, Nov. 2, 1938

Mr. G. E. Stanley, care J. Rosenbaum, U. P. R. A. Telegraph Office, 120 Broadway, New York, N. Y.

Mayor McCombs and I will need to remain here tomorrow to clear matter of extension of time limit through Mr. Thoron.

J. L. Haugh

U. P. RR
Omaha, Nebr.

[fol. 224] (Copy)

At Washington, D. C.
Nov. 2, 1938

Air Mail
Special Delivery

Mr. A. H. Skinner, City Attorney, City Hall, Kansas City, Kansas.

Dear Mr. Skinner:

Mayor Don C. McCombs today directed me to forward to you draft of agreement between Union Pacific Railroad Company and the City of Kansas City, Kansas, relating to construction and maintenance of Food Terminal on the Public Levee in Kansas City, Kansas, and covering lease to Union Pacific of a site on the Public Levee for a perishable team track yard. Duplicate original are enclosed.

The Mayor has reviewed this contract and advised that it is acceptable to him. He asks that you review it as to legal form, and if approved by you submit it immediately to the Commissioners, with his recommendation for their approval. Please wire Mayor McCombs as to their answer.

Yours very truly, (Pencil initial) J. L. H.

cc handed to Mayor McCombs.

[fol. 225] (Copy)

Union Pacific Railroad Company

Telegram

NY 11 3 38 1055A

ACS Oma

Supplementing my C-78 and 79. Further discussion this morning with FWC results in final decision not to include in purchase proposal any option as to the additional million dollars of bonds which may be issued in future. This reverses the approval of Stanley's suggestion stated at end of my C-78. Stanley in same letter to FWC also expressed belief that purchase offer should contain a provision about funds furnished by federal grant. I did not comment on this yesterday the suggestion did not impress us yesterday but on further consideration this morning we conclude that the purchase offer ought to be conditioned upon the obtaining of the federal grant now promised of funds to be used for development of the levee facilities. Our thought is that while we were committed to a considerable participation in this project before any federal grant was a part of the plan our commitment did not go to the extent of purchasing the bonds or even guaranteeing them but in our submission to the executive committee for authority to purchase we played up the promised federal grant and probably made it an essential part of the picture as affecting the increased value to us and increased revenue of the enlarged facilities which will result from this grant.

Number C-80

(Signed) H. W. Clark

[fol. 226] (Copy)

Postal Telegraph

1938 Nov 3 PM 3 56

Wal 30 Dl-HU Kansas City Kans 3 107P

J L Haugh—
635 Mayflower Hotel—

Wires requesting thirty day extension of section E loan and grant agreement sent by Gov Walter A Huxman Sen Geo McGill Sen Arthur Capper and Chamber of Commerce Kansas City Kansas

(Sgnd) Willard Breidenthal

[fol. 227] (Copy)

At Washington,
Nov. 3, 1938

Mr. G. E. Stanley:

Attached is an estimate that Mr. H. T. Whyte prepared for me showing that cost of air conditioning the offices over one of the wholesale dealers' units and also the construction of cold rooms in the basements of the wholesale dealers' units; one being for cold room 20 feet deep by the width of a unit, and the other being for a cold room 10 feet deep. There is only a small increase in cost for the larger size room.

The city could furnish during construction the cork insulation, but should not furnish the machine. The machine should be furnished by the tenant.

This estimate was made for the purpose of seeing what could be done if a cold storage plant was not constructed.

There is also an estimate for a locker plant.

Enclosed, also, is a leaflet by the York Ice Machinery Corporation, showing the information about a locker plant.

Mayor McCombs makes a very good suggestion, which is that such a locker plant would be competitive with the packers and thus involve opposition from them.

(Pencil Signature) J. L. H.

[fol. 228] (Copy)

Approximate Estimate of Air Conditioning
Offices and Refrigeration of
Small Cold Storage Rooms
at Kansas City Food Terminal

Office Air Conditioning		
(62 ft. x 450 ft. x 10 ft.) @ $450 per ton— 3,500 cu. ft. per ton		$36,000
Cold Storage Room 20 ft. x 20 ft. x 10 ft.		
1½ H. P. Freon and air condensor unit	$750.	
4 in. cork insulation	800.	
		1,550
Cold Storage Room 20 ft. x 10 ft. x 10 ft.		
1 H. P. Freon and air condensor unit	700.	
4 in. cork insulation	500.	
		1,200

500 lockers and refrigerating plant for same including freezing room 8,000

300 lockers and refrigerating plant for same including freezing room 6,000

H. T. Whyte, Nov. 2, 1938.

[fol. 229] (Copy)

At Washington, D. C.,
Nov. 3, 1938.

Mr. G. E. Stanley:
Mr. E. G. Reed:

I notice in a copy of the form of farmers' lease that the farmers are given an option for thirty years. In talking with Mayor McCombs, neither of us can see why the lease should be for such length of time, because leases on other markets are not that long. We ought to get in hand leases from other markets, and after learning what length of time they have, we can come to a determination of the length of time for the leases at Kansas City.

Mr. Reed was directed to get together information on the general subject, and he should also include this.

(Signed) J. L. Haugh.

[fol. 230] (Copy)

At Washington, D. C.,
Nov. 4, 1938.

Air Mail—Special Delivery.

Mr. G. E. Stanley:

Mayor McCombs sent the following message to City Attorney Skinner last night:

"Referring to letter from Geo. M. Bull, Oct. 24. Please arrange to comply fully with conditions set out in full in each of four last paragraphs his letter. Have resolution prepared for final acceptance on Tuesday, of Oct. 24 offer exactly as contained in that offer. Blanks are on my desk. When we secure extension of time it will be by letter from PWA. Notice that this offer must be accepted by Nov. 8, so that it will be necessary to wire on that day Regional Director that offer has been accepted and that papers are in that day's mail to him. It is necessary to have accom-

panying those documents revised estimate and plot plan, which should be immediately prepared in order to be completed in time to accompany papers on Tuesday.

"Also advise architects and engineers in writing to communicate with Regional Director as required. If not already done, acknowledge letter from Bull."

In connection with the revised estimate, it is suggested that the second or office floor be left off of one of the main wholesale dealers' buildings and that in lieu thereof there be included in the estimate air conditioning for the offices over one of the wholesale dealers' building, at an estimated cost of $36,000 and that there also be included construction of, and insulation of cold storage rooms in the basement of each of the wholesale dealers' units at the following estimate:

80 cold storage rooms at $800 each $64,000

These two items make up the total of $100,000 which is about the cost of the second story to be omitted.

The estimated cost of the cold storage plant should be left exactly as in the original estimate. No lease has yet been made of this cold storage plant, and until such lease is made nothing should be done on the plans because they will have to be subject to consideration by the lessee when the lease is consummated.

(Signed) J. L. Haugh.

cc—Mayor Don C. McCombs.

[fol. 231] (Copy)

Union Pacific Railroad Company

120 Broadway, New York

November 4, 1938.

Mr. J. L. Haugh, Hotel Mayflower, Washington, D. C.

Dear Mr. Haugh:

Responsive to your telephone inquiry about Section 6 of the agreement between U. P. R. R. and Kansas City, Kansas, covering trackage facilities to serve the grain elevator on the Public Levee:

I enclose a memorandum about Section 6 which gives in full the text of the third paragraph.

It was quite unnecessary in working out the agreement, not yet executed, relating to the proposed Food Terminal to provide, as was done in Section 12, that upon the commencement of rental under this new agreement the provisions of Section 6 of the grain elevator tracks agreement relating to the guaranteed average minimum rental thereunder shall be eliminated and held for naught. This is so for two reasons: First—Upon the Food Terminal agreement becoming effective, carrying a rental for team trackage of as much as $10,000 a year. the guarantee under the other agreement would automatically come to an end under the provisions of the third paragraph of Section 6, because a track rental of $10,000 under the new agreement makes good the $10,000 guarantee under the old agreement and makes the aggregate rentals of the elevator and its appurtenances $80,000. Second—Since it was contemplated in drawing this new agreement that the P. W. A. loan against the revenues of the elevator, now held by the R. F. C., was to be paid off, the guarantee under the grain elevator agreement would be terminated by the express provision of the third paragraph of Section 6 that in no event should the guarantee continue in effect beyond the payment of said loan.

The provision of Section 12 of the Food Terminal agreement was in no way tied up with the $40,000 tentative track rental provision.

Very truly yours, (Signed) Henry W. Clark.

[fol. 232] (Copy)

Western Union Telegram

Washington, D. C., Nov. 5, 1938.

Translation

To J. Rosenbaum, Mgr., Telegraph Office, Union Pacific Railroad Co., 120 Broadway, New York, N. Y.

Original J. A. Bennewitz, Copy L. H. Salmen, Omaha

Please send air mail, special delivery, tonight, revised agreement between Union Pacific and KCK for team track yard lease. Draft of July 7, 1938 should be revised to eliminate the maximum and make the rental flat $10,760. Mr. Kingsley gave me revised draft and advised that account

his unfamiliarity with project it should be reviewed by you. I filed his draft without first noticing that Section twelve was retained. PWA took exception to this stating it was another evidence that Union Pacific was seeking to profit by use of public money. Must file revised agreement Monday morning. Send duplicate originals to Mr. Stanley for use of city, whose final action will be taken Tuesday, and two copies to me, one for filing with PWA.

(Signed) J. L. Haugh.

[fol. 233] (Copy)

Kansas City Food Terminal

Kansas P. W. A. Project 1356-F

Wholesale Fruit & Vegetable Market

Offer of Grant—by Administrator Oct. 24, 1938.

Conditioned Upon:

(a) City depositing in construction account its proportion of cost ($2,090,000) in 15 days (by Nov. 8, 1938), and

(b) Railroad contract and tariff being "satisfactory to Administrator".

Difficulty—Bankers who had made definite commitment to City to purchase bonds at par, withdrew at last minute after offer of grant had been made, through an unexplained pressure.

Because of exceedingly short time, making it impossible for City to secure another customer, Union Pacific Railroad Company agreed to purchase bonds at par, and hold them for one year, subject to redelivery to City or its order at par, thus affording City plenty of time in which to negotiate, and enabling it to obtain a better market later, for sale of the bonds.

Finance Division of P. W. A. objects to sale of bonds to Union Pacific, alleging that as Union Pacific is to serve adjacent team yard (which it is to build at its own expense) its ownership of bonds would give it too much control, and thereby embarrass P. W. A. by contention of opponents to project that Government is aiding Union Pacific.

A small group of private interests in Kansas City, Missouri has been opposing this municipal project, which has

complete endorsement of the people of Kansas City, Kansas, and of the entire State of Kansas.

It has the recommendation of the U. S. Department of Agriculture and the State Agricultural Colleges of Kansas and Missouri.

City now needs:

(1) 15 days extension of time within which to deposit money, to enable conclusion of necessary ordinances and legal procedure.

(2) Advice from Administrator that contract and tariff are "satisfactory to Administrator". This will automatically cover proposed method of financing.

[fol. 234] City Revenue Bonds to be sold	$3,000,000
To be refunded R. F. C.	1,033,000
Money for new construction	1,967,000
City to add from other funds	123,000
Total City's Proportion	$2,090,000
P. W. A. Grant	1,710,000
Cash to be refunded to Government	1,033,000
Net outlay to Government	$677,000

Expenditure for construction:

City and P. W. A.	$3,800,000
Union Pacific Railroad Company	556,666
Kansas State Highway Commission and City for viaduct	480,000
Total	$4,836,666

Employment:

(a) Construction—about 2,900 employes.
(b) Operation after construction—about 1,100 employees continuously.

W. M. Jeffers.

At Los Angeles Nov. 3, 1938.

[fol. 235] (Copy)

Translation Western Union Telegram

Messenger, Telegraph Office, Union Pacific Railroad Co., 58 E. Washington St., Chicago, Ill.

W. M. Jeffers, Omaha and on Line. Just returned from very interesting visit with Secretary of Interior. He will arrange for appointment with his staff and me Monday. Am now leaving to talk with General's secretary.

(Signed) J. L. Haugh.

[fol. 236] (Copy)

Omaha, November 8, 1938.

File Y-5704-2404-1047

Mr. J. L. Haugh:

Refer to your joint letter of November 3rd to Mr. Stanley and the writer.

Immediately following our meeting at Kansas City, air-mail letters were sent out to various markets and traffic department representatives to secure information as to farmers' market rules and regulations. Several of these have been received, and we have now placed these on our file. We had to write additional letters concerning others. Will give you report on this when completed.

(Signed) Earle G. Reed.

cc—Mr. G. E. Stanley, Kansas City.

[fol. 237] (Copy)

Union Pacific Railroad Company

Telegram

Translation

Washington, Nov. 9 1938 WMJ Oma & OL
GES, Kansas City

Orig WMJ Oma & Ol, cy G. E. Stanley. Just came from visit with Burlew, who said that Public Works Administration is investigating possibility Reconstruction Finance Corpn purchasing the bonds. Both Secy Ickes and Finance

Divn advise we need not worry about deadline for providing money. Will know definitely in day or two.

(Signed) J. L. Haugh.

[fol. 238] (Copy)

November 9, 1938.

Mr. Dudley Brown, Brown and Loe, Kansas City, Missouri.

Dear Mr. Brown:

I appreciate very much your writing me as you have about the Kansas City Food Terminal and mentioning our meeting at Boise. I remember very pleasantly having met you at that time.

An undertaking of this magnitude requires a great deal of study, and this has been made over the last two years, both by our own organization and that of the Government. As a result, we believe that the Kansas City Food Terminal, which has been authorized, will develop the perishable business and particularly he'p your end of it to such an extent that you will be very much pleased with it.

The next time that I am in Kansas City, I will embrace the opportunity to call on you at your office, and in the meantime, am asking our Vice President, J. L. Haugh to call on you at his first opportunity.

With personal regard.

Yours Sincerely (Signed) W. M. Jeffers.

bc—Mr. G. E. Stanley with copy of Mr. Brown's letter.

[fol. 239] (Copy)

At Washington, D. C.,
Nov. 9, 1938.

Mr. Jeffers:

Mr. Dudley Brown of the firm of Brown and Loe wrote you on the 31st ult., is a very energetic young man who has made good in a comparatively few years in the perishable brokerage business.

About three months ago, I called on Mr. Loe, his partner. Mr. Brown was away at the time, and unfortunately I did not get a chance to talk with him. Mr. Loe was very friendly and even enthusiastic about the new Kansas project.

Mr. Armstrong and Mr. Walter of the PFE Co. are per-

sonal friends of Mr. Brown and they have talked with him recently.

Mr. Brown seems piqued that more attention has not been paid him by me and others in the official family, and his pride is badly hurt. After Messrs. Armstrong and Walter talked with him about ten days ago, he seemed to warm up considerably and I believe he is feeling better about it.

It will be necessary for us to show more attention to him, and I intend to do this, and Mr. Robinson will, too.

Am attaching draft of a suggested letter to him.

(Signed) J. L. Haugh.

[fol. 240] (Copy)

At Washington, D. C.
Nov. 9, 1938

Air Mail—Special Delivery—Personal

Personal

Mr. Jeffers:

Mayor McCombs and I are still at Washington. The market matter is progressing satisfactorily, but slowly. Secretary Ickes, who is the Administrator, told me Saturday afternoon that he would arrange a conference for Monday. Monday, however, he reported that his people were not yet ready for the conference and needed additional information.

Mayor McCombs saw Mr. Thoron of the Division of Finance, late Monday. He asked for a copy of the Kansas City Terminal Railway Company tariff. This was secured and placed in his hands yesterday. He seems to be quite of the opinion that the Union Pacific is being greatly advantaged by this market, for which the Government is making a substantial contribution. He has told both Mayor McCombs and me that we need not worry about the dead-line for deposit of the money.

Yesterday afternoon, I called at the Secretary's office. He was busy, but arranged for me to see Mr. Burlew, his assistant. Mr. Burlew said they did not yet have complete information and it would probably take a day or two longer. He said they were making inquiry concerning two things—One was regarding I. C. C. approval of Union Pacific Purchase of the bonds. The other was an inquiry of the R. F. C. to see if they will take the bonds.

As to the first, I advised him that our counsel had carefully made examination and found that the I. C. C. had no jurisdiction under the law. In my presence, he called Mr. Larabee, Acting General Counsel for the PWA, and told him that he need not pursue that line of information any further.

As to the R. F. C. purchasing the bonds, I did not offer any suggestion. It does occur to me, however, that if the R. F. C. does purchase the bonds they may insist on an increase in the Union Pacific rental for the 24.7 acres from the $10,760 per year, because they have the original set-up in which the Union Pacific was to pay a maximum of $40,000. Because of our proposed purchase I did not need to tell them that our General Counsel, Mr. Clark, ruled that he felt we were on dangerous ground by agreeing to such a maximum without approval of the I. C. C.

There seems to be no disposition on the part of the Administrator, Mr. Burlew or the Legal Department to do anything other than cooperate in this project. Mr. Thoron, Director of the Division of Finance, is the one who seems most concerned.

[fol. 241] From our several contacts, I have no reason to doubt that the matter will be adjusted, and the project go forward.

I do not know what bearing, if any, yesterday's election will have on their attitude.

I will stay here until the subject is settled.

In the meantime, there is much preliminary work to be done at Kansas City that does not yet involve construction expense. All of these preliminaries will go forward just as rapidly as they would if there were no obstacles at this end.

Messrs. H. W. Clark, Bockes, Lillard, Ess, Stanley and the City Attorney have been collaborating fully on the form of indenture, the adjudication of the law and all such matters that must be cleared.

Yesterday, I called on Ambrose O'Connor. He was very cordial; sends his regards to you, and told me to tell you that he was authorizing $25,000 of additional space to the Union Pacific. He freely offered help in case of need. Knowing the disposition of the Administrator and the fact that he appears to be endeavoring to help, I believe that outside pressure would be more harmful than good at present.

The Administrator has talked to me very friendly about Reed. Further, I have sensed with Secretary Woodring and Guy Helvering that they would not be alarmed by Reed's election, because that would give them an opportunity to control Kansas appointments, whereas if McGill was re-elected the latter would control. McGill's appointments in the past have not been very satisfactory.

(Signed) J. L. Haugh.

[fol. 242] (Copy)

Telegram

Union Pacific System

November 9, 1938.

T. W. Bockes, Kansas City, Mo.

Your letter 6th inst. received this morning.

First: Am glad about conclusion to amend paragraph of bond defining revenue on which the bonds are lien. However, I do not like the revision proposed in your Sunday draft of amendatory ordinance. I should prefer either of two following methods, namely: (a) Quote This bond and the interest hereon are payable from all of the revenues of the public levee and the facilities connected therewith, together with the revenues from any improvements and extensions thereto. This bond shall not be or constitute a general obligation of said City of Kansas City, Kansas Unquote (b) Use the above text but adding by insertion before the last sentence negativing general obligation the following Quote being property and facilities improved, constructed, reconstructed, repaired or otherwise improved by the proceeds in whole or in part of the revenue bonds of said City issued or to be issued as aforesaid Unquote.

Second: It does not matter whether agreement about resale is put in the purchase proposal or in a separate supplementary letter. I rather prefer the latter form since developments may make this agreement unnecessary, but in any event conform it to text of second resolution of Executive Committee wired you in my C-81. Messrs. Harriman and Charske discussed this yesterday and feel so sure that there will be no opportunity for us to sell to third party within a year that it is unnecessary to make

special provision as you have for such an event, and they also think that such a provision would be regarded as detracting substantially from the value of the resale agreement. We do not know that J. L. H. has made any definite commitment on this subject. Your authority now covers the signing of such agreement whether in letter form or otherwise.

Third: Mr. Charske agrees to leave the insurance provisions in present form if its amendment involves difficulty. I must confess I share the doubt about depositing insurance money in the bond fund. It seems to me your suggested substitute is a good one.

Fourth: I think I mentioned to you in telephone conversation that provision in purchase proposal about our furnishing an engineer should be optional with us.

Fifth: The purchase proposal now reads on page three that our escrow deposit is not to be made until the preceding five numbered conditions stated in the proposal have been complied with. We think the provision should be and that you probably intend that the deposit be made right away under the escrow agreement, but that the five numbered conditions must be complied with before the depositary is authorized to perform the acts described in paragraphs (a) to (d).

[fol. 243] Sixth: Mr. Charske suggests that if you have not been sending J. L. H. copies of papers as drafted you should do so in order to keep him informed of new ideas developed and the method which is being followed. Am sending him copy of this wire. No. C-82.

H. W. C.

Copy: Mr. J. L. Haugh, Mayflower Hotel, Washington, D. C.

[fol. 244] Union Pacific Railroad Company

Telegram

Washington, Nov. 10, 1938.

WMJ—Omaha and OL

Had meeting with Mr. Thoron and Dr. Waugh, Director, Bureau of Economics, Department of Agriculture. Mr. Thoron told Mayor that time was not running against him and that Public Works Administration wanted grant to go

through but that he needed to be satisfied on UPRR lease agreement and have defense on proposition of UPRR purchase of bonds. Mr. Thoron asked for further meeting on Saturday with Mr. Crow of Department of Agriculture who has been on ground and is thoroughly familiar with project and who will be very helpful. Mr. Thoron may specify some minor changes in UPRR lease. Will have to remain here until after Saturday and probably Monday.

(Signed) J. L. Haugh.

Translation.

[fol. 245] (Copy)

Kansas City, Missouri,
November 10, 1938.

Mr. J. L. Haugh:

Answering your wire about activities of Turney Gratz and opposition:

Practically everything is revolving around the Chamber of Commerce of Kansas City, Missouri. Mr. A. E. Bettis, who retired as President, appears to be the directing head. He is otherwise employed as Vice President of the Kansas City Power & Light Company.

The Chamber of Commerce announced it would appoint a committee of 125, and requested James M. Kemper of the Commerce Trust Company to head the committee. Mr. Kemper declined. The list announced in the paper contained 59 names, and there were no particularly outstanding men on the committee. They consisted of men like George J. Miller, and people identified with north-end industries. Subsequently, Mr. Bettis appointed a committee of 7 for the purpose of preparing a protest to the PWA. Mr. J. E. Woodmansee, President of Richards & Conover Hardware Company, is chairman of this sub-committee.

Yesterday Jack DeFeo showed me two letters that he had received, one from the Muehleback Hotel, and the other from manager of F. W. Woolworth 5¢ and 10¢ store. Both letters were to the effect that they were satisfied with the location of the present market, which they said greatly convenienced their business, and both objected to a location on the Kansas side. Mr. DeFeo was not exercised about the letters.

Si Yukon stated that the president of some bank had called him on the phone and inquired if he had signed a

lease on the Kansas side. Mr. Yukon advised that he had and also served on the committee for the new market. According to Mr. Yukon, the banker whose name he did not give me said that Mr. Yukon should resign from the committee and do everything he could to uphold the plan for a new market in Kansas City, Missouri.

I enclose a clipping from the paper about a meeting of farmers in the North Side Business Men's headquarters, but have not yet received any report about the meeting.

I have talked to unnumerable people in this city, and all of them regard it as a joke for the Chamber of Commerce to oppose our efforts. Mr. J. W. Perry, a very prominent financier, has taken it upon himself to talk to every director of the Missouri Chamber of Commerce, and is doing everything possible in our behalf.

[fol. 246] There has been no progress about a meeting of the Boards of Directors of the Two Chambers of Commerce.

If we can actually get three million dollars in the bank, and everybody knows that the market will be built, it is my opinion that all of the substantial opposition will vanish, including that offered by the Chamber of Commerce of Kansas City, Missouri. On the other hand, if we lose this fight, it will be increasingly difficult to move industries from Kansas City, Missouri to Fairfax, and we can expect a repetition of this fight.

(Signed) G. E. Stanley.

(Ink Notation:)

Just learned that Turney Gratz is representing in the north end that he has stopped grant—he further says Pres. Roosevelt fought a dead horse (meaning McGill).

G. E. S.

[fol. 247] (Copy)

Western Union

CA426 CAK Chicago, Ill. 11 520P

J. L. Haugh, Mayflower Hotel, Washington, D. C.

Your inquiry of yesterday to GES. It is my opinion in which Lillard and Ess concur that purchaser of revenue bonds could not in event of default procure appointment of receiver since statutes lodge discretion as to fixing rentals and operating property with City Commission. Question has not been determined in Kansas but have little doubt

its courts would follow decisions which seem to restrict right of revenue bond holders to injunction against use of revenues for other purposes than operation and payment of bonds and interest. In substance only security back of bonds is net revenue on improvement after payment of cost of operation, maintenance and repairs and we should not count on ability to control either rate of rental or amount of expenditures by court proceedings. Assume you have considered adequacy of rentals which will be available to meet interest requirements before completion of construction. G-3

T. W. Bockes, General Solicitor, Union Pacific R. R. Co.

[fol. 248] (Copy)

Union Pacific Railroad Company

Telegram

Translation

Washington, Nov. 12, 1938

HAT, Omaha
TWB, Kansas City
LHS, Omaha

Orig HAT, cy TWB LHS. Please deliver to Mr. T. W. Bockes certified or cashier's check for $60,000 payable to City of Kansas City, Kansas. This will be used by Mr. Bockes to accompany bid for purchase of $3,000,000 revenue bonds. This was authorized by Executive Committee November 1st.

J. L. Haugh.

[fol. 249] (Copy)

Kansas P. W. A. Project 1356-F

1. Public importance of project, local and national, to:
   (a) Promote improved marketing of farm products.
   (b) Eliminate waste in distribution to consumers.
2. Has been thoroughly studied and is recommended by:
   (a) Board of City Commissioners
   (b) Citizens' Committee
   (c) City Planning Commissions
   (d) U. S. Department of Agriculture, Kansas and Missouri State Agricultural Colleges and Departments.
   (e) Other public officers and bodies in Kansas.

3. Railroad Trackage:
   (a) On adjoining property is auxiliary and necessary
   (b) Cost to be borne entirely by Railroad, amounting to $556,000. Only special service tracks serving wholesale warehouses involving $10,665 of grant to be built by City.
   (c) All filling, paving, sewers and lighting on railroad leased property to be constructed at sole expense of railroad.
   (d) Railroad to pay rental, established in PWA 4820 by PWA. It is based upon nearly three times present value of property as determined by purchases of adjoining property by railroad.

4. Sale of bonds.
   Private bankers, previously committed, failed at last minute, destroying immediate marketability.
   Bonds are being offered at public sale. Bids to be received Nov. 15.
   Railroad has advised in the emergency that it will bid the face value for the bonds.
   Holder of bonds, under the law, cannot control operation of the market even in case of default. Its only redress is to restrict City from using market funds for other purposes.

5. Opposition is from private interests:
   1. Public Utility
   2. Cold Storage.

6. Political:
   Opposition has publicly advertised that grant was to influence election of Senator McGill.
   Failure of grant now would admit this major premise, and be seized upon as admission that PWA funds are used to influence elections.

Washington, Nov. 12, 1938.

[fol. 250] (Copy)

Kansas City, November 12, 1938

Mr. J. L. Haugh:

The attached print was prepared for publication in the Kansas City Star. It is on a scale of about 600′ to the inch

and shows the extensive railroad facilities required to serve a real market.

Ray Willette and I have a definite appointment with Clyde Reed for Monday morning at the Muehlebach Hotel and believe we will be successful in getting him to wire Secretary Ickes. I will advise you by wire what happens.

Williard and I met with the U. S. District Engineer, and after a careful canvass of the whole situation he indicated he would be willing to recommend that the pile dikes be constructed on the new channel line at the earliest possible time and agreed that the toe of the new dike should conform to the new channel line. I have talked to Phillips people twice. They are very cooperative and before you return to Kansas City, I expect to have some definite basis to submit to you for exchange of properties. You have doubtless seen Mr. Mann's new plan of the track layout. In my judgment, either of these plans will be agreeable to Phillips.

George Catts, Manager of the Chamber of Commerce, Kansas City, Missouri, wrote E. C. Mingenback, Pres. of the Kansas State Chamber of Commerce, setting out copy of letter he is writing to all Chambers of Commerce in Kansas. It is just the mistake that I wanted them to make. I believe they will learn how the people in Kansas feel about the attitude of the Chamber of Commerce, Kansas City, Missouri, about the market. We will have a meeting on that, Monday, and in addition to having Mr. Willette write all the Chambers of Commerce in Kansas, I will also have him call some of the main fellows by telephone and urge them to take a hand in the fight in favor of the Kansas Market. If you can get things worked out at Washington, there will be no trouble at this end of the line. The Frank Larkin farmers meeting which took place last night had about 35 people in attendance of whom 10 were actual farmers and the balance politicians and friends of Turney Gratz. A few talks were made and the meeting turned into a beer drinking contest.

There is no doubt that the Chamber of Commerce of this City is doing everything possible to upset our deal and following the announcement the Union Pacific will buy the bonds, they may begin to shoot at us instead of Kansas City, Kansas. Personally, I think the fight will help us in the long run, especially when the people here see how much this market will benefit Kansas City.

(Signed) G. E. Stanley.

[fol. 251] (Copy)

Western Union

KA98 69 9 Extra YA Kansas City, Kans 17 1035A

Don C; McCombs, Mayflower Hotel, Washington, D. C.

Contract with Fean and DeOreo was cancelled. The ordinance was repealed and they have no authority to solicit lease contracts for Food Terminal Market. They have been paid nothing. They are not employed by the city in any capacity. If they are now soliciting any leases it is without the knowledge, consent or authority of the Board of City Commissioners.

George T. Darby, Henry F. Schaible, Commissioners;
Alton H. Skinner, City Attorney.

[fol. 252] (Copy)

At Washington, D. C.
Personal Nov. 17, 1938.

Mr. Jeffers:

We have just returned from a call on Mr. Larabee, Acting General Counsel, PWA. Mr. Larabee said that Mr. Thoron was preparing a waiver, extending the time within which money needed to be deposited in construction account, until Nov. 30. He said they were still working on the Union Pacific contract; that attorneys in his division had some questions about it, which they could not answer until Mr. Thoron could review them, personally. Mr. Thoron is in New York and will not be back until late tomorrow afternoon. Mr. Larabee further told us that it was just a matter of detail now; that unfortunately it was taking more time than he had anticipated.

Yesterday, Mr. Thoron told the Mayor that there was no further objection to Union Pacific purchase of the bonds. This had been previously corroborated by Mr. Larabee and by Mr. Burlew.

Mr. Larabee said that the fact we were here to handle their inquiries and make progress relative to the changes required had materially assisted in consideration of the project and expedited it.

Frankly, the Mayor and I both believe that if we had not remained here the project would have been cancelled without further ado, so we have some consolation for our ex-

tended stay. It now seems certain that we will be here Saturday and maybe longer. We have been here so long now that we are not going to quit until we get it closed up completely.

When we advised Mr. Larabee today of progress that we were making toward approval of plans and securing bids, he expressed satisfaction. He said that was the right thing to do.

Am repeating the statements that are actually given to us, although they sometimes conflict.

The Mayor and I have an apprehension that there are some subversive influences at work against the project because we are put off from time to time when there seems to be no real reason for it. We do know that the North Side Business Association of Kansas City, Missouri, of which Mr. Dodds of the U. S. Cold Storage and Mr. Bettis of the Kansas City Power and Light Co. and a few others are interested, has had its Secretary Turney Gratz here several times during our stay; further that Gratz made a statement at Kansas City that he had hired the right man at Washington to block the Kansas project. There have, undoubtedly, been some railroad influences on Mr. Thoron because when we first arrived he was anything but friendly to the Union Pacific.

We know of no possible way of expediting this any more than we have been doing. We have waited in outer offices without appointments and secured admission when we probably were not wanted, and usually accomplished something. [fol. 253] We have secured support from Senators, Congressmen, interested Secretaries and others that has been genuinely helpful. Senator elect Clyde Reed, who is a personal friend of the Administrator, sent a very favorable wire to him.

(Signed) J. L. Haugh.

cc—Mr. C. R. Gray.

[fol. 254] (Copy)

postal telegraph

RXW12 169 1 Extra-HU Kansas City Kans. 18 1142A
Don C. McCombs, Mayor of Kansas City, Kansas
Care Mayflower Hotel

Because of the great public interest in the wholesale fruit and vegetable terminal, Kansas PWA Project 1356-F and

the attitude on the part of many members that some reimbursement is justly due William Fean and Joseph DeOreo this Chamber of Commerce has appointed a committee which is endeavoring to secure by private subscription a fund to reimburse William Fean and Joseph DeOreo for a part of their actual out of pocket expenses incurred during the two years that they have worked on the Kansas City Food Terminal prior to cancellation of their contract with the city of Kansas City, Kansas. Fean and DeOreo are aware of this and while they are waiting for this donation are continuing to solicit leases with the full knowledge that the Chamber of Commerce cannot contract with or obligate the City of Kansas City, Kansas or involve said City in any way to compensate them directly or indirectly for any services rendered in procuring offers from prospective leasees which might be accepted by the city.

R. T. Willette, Manager, Kansas City Kansas, Chamber of Commerce.

(Unsigned).

[fol. 255] PLAINTIFF'S EXHIBIT No. 8

President's File No. 912

Volume 7

[fol. 256] (Copy)

At Kansas City, Mo.
November 30, 1938.

Personal

Mr. Jeffers:

Attached is newspaper article appearing in last night's Kansas City Star, regarding the activity at Washington, of Turney Gratz, Secretary-Manager of the North Side Business Association at Kansas City, Mo., in an endeavor to block the grant to Kansas City, Kansas. There is also attached clipping from today's Kansas City Journal Post and from today's Kansas City Star.

As the Mayor and I conferred fully and produced all evidence at Washington, I do not believe that the Administrator will take any action that will be detrimental to the market.

The article in this morning's paper refers to a meeting that took place in one of the rooms of Mr. Hal Lebrecht's bank, when the following were present:

L. Ulmann, Attorney, 1207 Grand Avenue; H. R. Lebrecht, President, Merchants Bank; E. M. Dodds, President, U. S. Cold Storage Co.; and Turney Gratz, Secretary, North Side Business & Improvement Association.

Dodds, Gratz and associates got Ulmann, who is attorney for William Fean, into the room which was wired with a dictaphone in an adjoining room, under the guise of negotiating a purchase of information, and asked him a lot of leading questions, which he answered with misleading information.

They then transcribed the dictaphone records in the form of questions and answers. It is perfectly ridiculous, and the Mayor's statement about it in the Star article is exactly right. He says: "There is nothing new. The charges have been heard by Secretary Ickes and officials of the PWA. I do not want to dignify them by giving them any consideration at this time. They are ridiculous."

I have seen the transcript. It contains 29 pages.

This is the stuff that Mr. Charles Johnson hinted to Mr. Gray and me about at Washington on Nov. 1. From the atmosphere we found with the PWA at Washington, from the knowledge that these fellows would not hesitate to file it immediately and from Mr. Johnson's statement, I feel quite certain that it was filed with the PWA at that time, which was a month ago, and that the PWA probably investigated it fully enough to determine that it was worthless.

We expect these fellows to keep up their dog-in-the-manger tactics until our project is completely in operation.

(Signed) J. L. Haugh.

cc—Mr. C. R. Gray.

[fol. 257] (Copy)

1938 Dec. 2 PM 5 48

302SAS

KC 12-2-38 618P

W M J OL

On Tuesday November 29 Mayor McCombs of Kansas City, Kansas, sent the following message to administrator; quote.

"This evening's Kansas City Star quotes telegram reported to have been sent from Washington to the president by Turney Gratz regarding funds authorized by PWA to help finance wholesale food terminal in this city which makes false charges. Stop After full and complete investigation your part about the charges it should be unnecessary to again ans unfounded claims made by Gratz. Stop It is my duty on account of the publicity to inform you that I deplore such tactics and am shocked that such ungrounded representations have been made to the President of the United States. Stop Am sending you article as published air mail special delivery" end quote.

Today he received the following reply from Mr. H. A. Gray, Assistant Administrator quote:

"Retel Adm. Docket Kansas 1356 notwithstanding newspaper reports we have not changed and do not expect to change our position regarding your project" end quote.

End one.

[fol. 258] (Copy)

302SAS Sheet Two

Mr. Larabee advised that construction fund agreement was being sent from Washington to the Mayor air mail tonight. This is largely perfunctory it was complete contracts requiring PWA approval. Immediately thereafter city will file advance grant requisition which will be honored by PWA for one-third of grant.

Bonds have been received and are being signed by Mayor and city clerk. This should be completed Sunday after which they will require registration by State Auditor.

Engineers and architects are hastening all plans. Wholesale merchants and brokers are cooperating in development plans. PWA regional office at Ft. Worth is giving preference to handling Kansas City Food Terminal matters. Contract for closing Jersey Creek will be let next week. Contracts for excavation and piling for all structures will be let about Dec. 20. Project has been divided into eight units. Work on each unit must be started by January 1 and that is being arranged. Have talked further with Federal cold storage but have not yet reached an agreement. Will have further meeting early next week.

Situation in good shape and moving very rapidly.

J. L. Haugh 621P.

[fol. 259] (Copy)

Kansas City, December 3, 1938.

Mr. J. L. Haugh:

Messrs. Weedin, Armstrong, and Fryer completed, and I attach for your information, classification of Kansas City Produce Market as follows:

1. List of firms operating in the Kansas City Market from whom Joseph DeOreo claims to have procured leases for space in the Kansas City Food Terminal, together with red book credit rating and general remarks as to the extent of their operations.

2. Firms operating in the Kansas City area who have not executed leases but all of whom have been contacted.

3. List of brokers operating in the Kansas City territory.

The last page has no heading for obvious reasons but from the standpoint of stability and volume of business, the three columns should be rated A, B, and C, respectively.

The miscellaneous firms named on the last sheet need no further explanation.

After reviewing this list I am impressed with the fact that if all the wholesale dealers and desirable allied lines should be moved to the new terminal, the units would command a premium. There has been no effort as yet to list the allied lines that would be desirable but attention will be directed at once to that line also.

Referring to the brokers only, there are several who would want five or six rooms. In addition to the brokers the office space would be used by traffic officers, manager of the food terminal, P. F. E. Company, club rooms, barber shop, sandwich shop, and possibly by insurance firms and others allied with the industry. However, I believe if there is any section over built it will be the office space. Again, there may be such a demand for this space, that it too will be at a premium.

I believe that these lists will be very helpful to us in working out space requirements and to make a more definite study. Just as soon as possible I will find out from the wholesale merchants just how much space each will require. Mr. Fryer has agreed to work with the brokers. Mr. Weedin will prepare a list of the desirable allied food lines that should be solicited and also make an estimate of the space

that should be allocated to each. The butter and egg business is pretty well tied up at Kansas City by the U. S. Cold Storage Company because of its interest in the Tranin egg products company. The other big dealer is the Monarch Egg Corp., which has a business at 3rd & Cherry St. These egg people use trucks and from the railroad and traffic standpoint would be of little value to us unless the business can be gotten back on the rails.

[fol. 260] The Standard Brands Inc., has the largest egg breaking operation at Kansas City which is now carried on in the Midwest Ice & Cold Storage plant in the Armourdale district. Mr. Von Weise told me he had talked to Standard Brands and expected to get that business in their plant at Kansas City, if leased. There is also a fairly good dealer in Kansas City, Kansas who does business under the name of the Wyandotte Commission Company which is principally an egg business. It is owned by Mr. Ben Glatt and I am advised by some of his friends in Kansas City, Kansas, that he is elated over the new terminal and expects to establish his business there.

There has never been a study or recommendation made about the live or dressed poultry business. However, Mr. Weedin informs me the Seymour Packing Company of Topeka has signified some interest in that particular line and has inquired about the new terminal.

Mr. Earl Reed also stated that this would be a good distribution point for the Northwest Turkey Growers Association.

(Signed) G. E. Stanley.

[fol. 261] Firms operating in Kansas City area who have not executed lease for space in Food Terminal.

Name	Red Book Credit Ratings	Remarks
Atlantic Comm. Co. (A & P)	$500,000****	(In pencil:) Brokers only
Black & Froman	175,000***	Much business by truck—seed potatoes—owns building.
Blond, Ike	10,000*	Truck purchases.
Clancy, Roy, Frt. & Veg. Co.	10,000***	Limited operations.
Dalen, Sam & Sons, Prod. Co.	2,000**	Limited operations.
Evans, O. C. Co.	50,000***	Large operator. # Gandy to get lease.
Garrett Holmes & Co.	40,000***	Large operator. # Geo. Miller.
Helm Produce Co.	75,000***	Large operator. # Son is friendly father is not.
Horowitz Prod. Co.	8,000***	Limited operations
K. C. Fruit Co.	***	Substantial operations.
Kesting, H.	50,000***	Substantial operations—owns building.

Pencil notations.

Name	Red Book Credit Ratings	Remarks
K. C. Tomato Co.	.....	Limited operations.
Lorber & Co., Inc.	$100,000****	Large operator.
Maguire Urban Comm. Co.	35,000***	Limited operations—owns building.
Michael, Swanson & Brady	200,000****	Large dealer—owns building.
Potvin Potato Co.	.....	Gov't potatoes & sells to state.
Reich, A. & Sons, Inc.	60,000****	R I. Frt. House—Large dealer.
Singer & Sons, L.	100,000****	Large operator—Big business—owns building.
Shultz & Sons	5,000**	Limited operations.
Triway Prod. Co. (Safeway)	50,000****	New warehouse on Frisco. Also track buyers.
[fol. 262]		
Wesco Foods (Kroger)	OK	Some track buying.
Milgram Food Stores	300,000***	Largely track buying—Whse. on MKT—Office & Whse. 25th & Madison.
California Fruit Growers Exchange (citrus)	.....	Large sellers—sell on track and rollers.
Calif. Fruit Exch. (deciduous)	.....	Large sellers—sell on track and rollers.
Earl Fruit Co.	.....	Large sellers—sell on track and rollers.

(Pencil note: Kansas City Wholesale Groc.)

[fol. 263] Firms operating in the Kansas City Area reported to have executed leases for space in Food Terminal.

Name	Red Book Credit Rating	Remarks
Widlan, Hyman	.....	Large Banana Handlers.
Nat'l Produce Co.	$10,000***	Limited operations.
DeMarea & Sons	30,000***	Substantial operator.
Nigro	.....	Handles salvage and rejects.
Feinberg, Abraham & Sons	8,000***	Limited operations.
Dryer & Co.	Fair**	Limited operators.
Mallin Produce Co.	25,000***	Large operator.
Caruso, Carl	.....	No report.
Adelman, Louis	5,000**	Limited operations.
Litman Produce Co	10,000**	Large operator.
Yukon & Sons Produce Co	15,000**	Large operator.
DeFeo Fruit Co.	35,000**	Large operator—also broker for Eastern Dealers.
D'Angelo Celery House	1,000***	Limited operations.
Winer & Saroff Comm. Co.	8,000***	Large operator—also house at Manhattan.
Coppaken, Lester	.....	No report.
DeMaria, J. J.	40,000***	Not now perishable dealer. Runs Bottling Wks. & Beer Biz.
Pisciotti, Rosario	.....	No report.
Junsberg & Sons Produce	5,000**	Limited operations.
Greenstein, Dave	.....	No report.
Cohen, Joseph H.	.....	No report.
Ferrante J. S. & Luchio P. C.	.....	No report.
DeFeo, Mike (Paola)	10,000***	Paola dealer—buyer from others and trucks out.
[fol. 264]		
Hale, Davis	.....	No report
Baum Fruit & Produce Company	Fair**	Limited operations.
Weithink, Herman	.....	No report.
Watrous & Sons, Roy	..... **	Limited operations.
Ziegler & Co.	60,000****	Large dealer.

Name	Red Book Credit Rating	Remarks
Winnick Bros.	$60,000***	Large dealer.
Sarser Produce Co.	15,000***	Large dealer.
Rosenblum Prod. Co.	1,000**	Now runs cafe.
Passentino, Joe	.....	No report.
Walins, William	.....	No report.
Robinson & Sons, A.	.....**	Large dealer
Cherrito Celery House	2,000**	No report.
Pack, J. (Market Fruit Co.)	.....	No report.
Palermo, Don	.....	Limited operations.
Comella, Phillip L.	.....	No report.
Gordon Prod. Co.	Less than 1,000	Limited operations.
Palito, C.	.....	No report.
Fishman, H.	5,000**	Large dealer
Tabbat, Roger Co.	.....**	Limited operations.
Dworak, J.	.....	No report.

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[fol. 265]

Garrett & Holmes	Nat'l Produce Co.	Dreyer & Co.
Helm Produce Co.	Feinberg, A. & Son	Watrous & Sons
Evans, O. C. Co.	Black & Froman	Baum Fruit & Produce Co.
Lorber & Co., Inc.	Blond, Ike-	Adelman, Louis
Michael, Swanson, Brady	Clancy, Roy—Frt. & Veg.	Junsberg & Sons
Reich, A. & Sons, Inc.	K. C. Fruit Co.	Rosenbloom Prod. Co.
Singer, L. & Sons	Kesting, H.	Gordon Prod. Co.
Winnich Bros.	Maguire-Urban Comm. Co.	Tabbat, Roger Co.
Milgram Food Stores	Schultz & Son	Dalen, Sam & Son
DeFeo Fruit Co.	Nigro	Horowitz Prod. Co.
Yukon, L. & Son	D'Angelo Celery House	K. C. Tomato Co.
Ziegler & Co.	Pisciotta, Phil	Potvin Prod. Co.
Mallin Produce Co.	Golden Rule Prod. Co.	
Litman Prod. Co.	Widlan, Hyman	
Winer & Saroff Comm. Co.		
Sarser Prod. Co.	Miscl. Firms	
Robinson & Sons	Triway	
DeMaria, J. J.	Wesco	
DeMarea, N. & Sons	A & P	
DeFeo, Mike (Paola)	Calif. Fruit Growers	
Fishman, Henry & Co.	Earl Fruit Co.	

KCMO—12/3/38.

[fol. 266] List of Brokers operating in the Kansas City Territory

Name	Red Book Credit Ratings	Remarks
Brown & Loe	$25,000****	Large broker.
Central Brok. Co.	5,000***	Mr. O'Connell—banana broker.
Cochrane Brok. Co.	75,000***	Large broker.
Cooksey Graham & Co.	25,000****	Large brokerage business.
Gonder, C. H.	10,000****	
Grovier Starr Prod. Co.	100,000****	Substantial brokers and handle beer.
Iness Bros., Inc.	100,000***	Substantial brokers and handle beer.
Kemends, Cris & Co.	2,000***	Limited operations.
McAllen, Gene	10,000***	Substantial Broker.
McKee, Rob't G. & Co.	5,000****	Substantial Broker.
Robinson, C. H. & Co.	175,000****	Large broker.
Schultz & Co.	6,000***	Limited operations.
Ungerleider, Martin & Co.	2,000***	Limited operations.
Taube, L. S.	50,000****	Large broker.

KCMo.—12/3/38

[fol. 267] Kansas City, December 5, 1938

Mr. H. N. Higgins:

The estimated cost of the additional improvements on the Public Levee and the description of each is as follows:

Preliminary expense		$5,000
Filling 40,000 cubic yards		20,000
Moving dike to reclaim 6.7 acres of additional land		39,330
Enclosing Jersey Creek		188,400
Sewers		37,650
Pumps, valves, fittings and pumphouse for sewers		35,494
Walls along dock track		25,500
Tracks serving wholesalers buildings		23,700
Widening and changing grade of Minnesota Avenue		90,310
Paving in merchant's and farmers' mkt		179,800
Water mains—fire protection		49,587
Lighting (street lights and floodlights)		38,000
Power and light to buildings		42,000
Planting and erosion preventing		20,000
Wholesalers' and brokers' market bldgs.:		
Two 2-story and basement, 3,000,000 cubic feet		835,988
Two 1-story and basement, 2,156,000 cubic feet		633,000
Warehouse and auction buildings, 590,000 cubic feet		142,170
Cold storage building, 1,480,000 c. f.		658,660
Farmers' market 2,140 lin. ft.—80,000 cubic feet		166,300
Incinerator		19,700
Fences		15,000
[fol. 268] Contingencies for all buildings		163,029
Engineering and architectural		205,417
Legal, administrative, and overhead costs		5,000
Interest during construction		85,000
Miscellaneous costs:		
Traveling	5,000	
Advertising	1,000	
Miscellaneous	4,000	
Clerical work during construction	65,000	75,000
		$3,799,035

You should immediately prepare a statement breaking this up into units, 1 to 8, as outlined in letter passing from Kansas City, Kansas to P. W. A. dated November 26th, and furnish a copy of the breakdown to the engineers and architects for the City. I will make distribution of the copies to the City officials.

Mr. Haugh requested me to make it very clear to you that construction costs must be kept within the original estimates. He is very insistent that the improvements must be moderate and in no case extravagant. The cold storage plant is estimated at $658,000. It appears that the foundation plan or ground area was enlarged over the original

plan so you should give immediate consideration to the question of whether or not the piling foundation is too large for a building that must be kept within the estimated cost.

I am roughly advised that the piling foundation on the farmers market alone will cost about $15,000. I personally doubt if piling can be driven in this particular area on account of old dump piles including a generous quantity of old concrete bridge piers and a concrete paving were dumped in this area.

The Fairfax pump house was not constructed on piling and we have constructed many buildings in Fairfax of more substantial design and weight than these farmers stalls without piling. You recently designed a footing for the new sign and decided that piling was not necessary for that load, so will appreciate if you will again check on the necessity for concrete piling under the farmers sheds. If piling is required, would it not be more economical to use creosote treated wood piling?

G. E. Stanley.

CC: Mr. J. L. Haugh.

[fol. 269] (Copy)

Alonzo H. Gentry, Voskamp & Neville
Architects
Kansas City, Mo., December 5th, 1938.

Mr. J. L. Haugh, Union Pacific Railroad, Omaha, Nebraska.

Dear Mr. Haugh:

We are sending you under separate cover as per your request received late Saturday afternoon, sheets 1 to 8 inclusive, which are prints of work approved in Fort Worth by P. W. A. for piling and excavation of all units.

We are also enclosing prints of a two story wholesale food building and prints of unit A of the one story wholesale building. You will recall unit A is the same as unit B and unit C.

Yours very truly, Alonzo H. Gentry, Voskamp & Neville, (Signed) Alonzo H. Gentry.

Pencil Note: Above prints received and delivered to Mr. Terrill today. L. H. S. 12/7/38.

1 Set—Sheets 1 to 8 Incl.
1 Set—3 Sheets—Produce Bldg. Unit A.
1 Set—3 Sheets—Produce Bldg. Unit D.

[fol. 270] (Copy)

Union Pacific Railroad Company

Telegram

Omaha 12 6 38 212P.

J L Haugh Den

Following wire from Mr. Stanley:

Qt Mr George Bull, regional director of PWA today requested city to have ground breaking ceremonies next Tuesday, at which time he will be present. Mayor desires presence of you, Mr Jeffers and Mr Gray Unqt. Mr Jeffers is leaving for NY tonight and understand he will not be in this territory again until about Dec 22. S-27.

L. H. Salmen.

[fol. 271] (Copy)

Omaha, December 6, 1938.
A-5704-2404-1047.

Mr. J. L. Haugh:

Your letter of December 2 referring to discussion with Mr. Traber of the Missouri Pacific regarding interchange facilities at Kansas City for perishable products that may move to and from the Kansas City, Kans. food terminal.

I see no way in which a modification of the proposed switching tariff could be made in favor of the Missouri Pacific because of some rearrangement of the point of interchange. It has been proposed to set up a switch tariff to apply alike for all carriers, and to undertake to make a different switching charge in favor of the Missouri Pacific or to contemplate an allowance for possibly a more favorable point of interchange in my judgment would be extremely inadvisable.

This question is at the present time somewhat academic and it seems to me reply could well be held in abeyance until the situation has been developed more definitely, but so far as the general situation is concerned my views are as expressed above.

(Signed) F. W. Robinson.

CC: Mr. H. C. Mann, Mr. H. L. Whipple.

[fol. 272] (Copy)

Union Pacific Railroad Company

Telegram

Translation

New York, Dec. 8, 1938.

J. L. Haugh, Oma & OL.
(HER: Phone to Mr. Haugh).
PR, Omaha.

Orig JLH Oma & OL, cy PR.

Mr. Symes of the AAR left at our New York offices this morning a copy of a telegram addressed to Mr. Ickes, I understand, under date of December 5th, objecting to moving the produce dealers. Among the names I note L. H. Cochran, Black, and Froman, R. A. Edmund, J. R. Gregg, etc. As to the first named, I would be interested in knowing whether Cochran was one of the produce concerns who had indicated that they would take a lease at the new terminal.

If so, I would be interested in knowing what the purpose was of signing telegram to Mr. Ickes.

I am sending you copy of this telegram by air mail and I should like to have you meet me at the train at Kansas City, Mo., enroute to Phoenix. I am leaving Chicago on the Rock Island Golden State Limited Train No. 3 morning of December 10th.

I am also sending a copy of the above telegram referred to, to Mr. Rigdon via air mail and regular mail, and he will check with you to insure you get a copy. Acknowledge. J-43.

WMJ.

[fol. 273] (Copy)

Union Pacific Railroad Company

Telegram

Translation

Kansas City, Dec. 8, 1938.

W. M. J.—New York:

J-43. Telegram and petition directed to Secretary Ickes and Secretary Wallace was circulated in old market, Kan-

sas City, Mo. by Ray Edlund, Richard Mills and one Gregg, latter being employed by Turney Gratz, generally condemning our project and repeating old claims of opponent. Coincident with circulation of telegram and petition some merchants were plainly informed that unless instruments were signed immediately policemen would be in front of store building next morning and tenants occupying city owned property would be dispossessed, thereby forcing some merchants who have signed leases and offered to rent facilities to be constructed in Kansas City, Kansas to also joint in protest.

While this petition was being circulated, merchants reported to our office here that they signed to avoid trouble and resented the manner in which it was handled. In fact all of this activity is repetition of old practices and has further helped to solidify sentiments among dealers in favor of Kansas project. Mayor McCombs wired Secretary Ickes and Wallace about this petition and how signatures were obtained.

L. H. Cochrane is substantial Broker occupying office space only. He had not signed lease but has indicated that he will and is now working with architects in securing proper office location in new project.

Black and Froman handle seed potatoes mostly by truck and own their own building. They have not signed lease in Kansas market.

R. A. Edmond is V. P. of Merchants Bank, of which Hallebrecht one of the principal objectors is President.

J. R. Gregg has small retail store located on alley behind old City Hall and is of no consequence. Turney Gratz and Hallebrecht who have been in Washington have returned here. Mailing you tonight Kansas interview with Gratz indicating that he has used all information he possesses without results.

Will meet you on arrival Rock Island No. 3 K. C. tenth. J-44.

J. L. H.

[fol. 274] (Copy)

Kansas City, December 8, 1938.

Re: Kansas City Food Terminal

Mr. Jeffers:

The construction fund agreement has been approved by P. W. A., and will be adopted tonight on final reading by

the Board of City Commissioners of Kansas City, Kansas. Prior to adoption, it has been carefully reviewed by Mr. Bookes and Mr. Rouse, who have assisted in making certain changes and who agree that it is in proper legal form. Copy of the agreement is attached. It provides for the deposit of the construction money in 14 banks in Kansas City, Kansas, all of which banks have Federal deposit insurance. It has been their past practice to carry their funds in these 14 banks in this same manner.

The City has made an advance grant requisition on the P. W. A. for $570,000, which is 15% of the entire cost, and this money should be deposited by the P. W. A. in a few days.

Signing and registering of the bonds will be completed either Saturday or Monday. They have been promised for Saturday. We are arranging to place the purchase price in escrow with the Riverview State Bank, pending delivery of the bonds. It will require a day to clear the money from Omaha to Kansas City, and this is desirable prior to the delivery of the bonds. In addition, we must take up $1,033,000 of bonds now owned by the R. F. C., which is essential to enable special attorney for the City to give an unqualified approval of the transaction. The Riverview State Bank will immediately place the money with the Federal Reserve Bank of Kansas City, in a special account.

Attached are two pictures of the architects' drawings of the market, that appeared in the Kansas City Times yesterday. The larger one was on the front page, and the smaller one, showing the relationship of the market to the City, was on an inside page. The Kansas City Star has been very favorable in its publicity.

There is also attached copy of an article appearing on the front page in the Kansan, of yesterday, regarding the ground breaking ceremony for the Food Terminal, to be held at 12:15 p. m., Tuesday, Dec. 13. Administrator Geo. M. Bull, suggested to the Mayor that the ceremonies be held, and set the time. The P. W. A. are giving very complete cooperation toward speeding up of all work on this project. Arrangements are being made by people in Kansas City, Kansas, for a very fine celebration, including participation by the Public Schools and their band.

Bids were received on Dec. 6th for the construction of the reinforced concrete enclosure of Jersey Creek. There were

eight bidders. The lowest bid was $186,476 as against the estimate of $188,400. The contract will be awarded in a few days.

[fol. 275] Bids have been requested for piling and foundation work on all of the balance of the buildings, to be returned on Dec. 20. Detailed plans will be completed on the superstructures of the buildings early next year, and immediately advertised for bids.

Attached is a further newspaper clipping from yesterday's Kansan, advising of advertising for bids for construction of Minnesota Avenue viaduct, crossing the Union Pacific and Missouri Pacific tracks leading to the new market. The City has already condemned the land required for the widening of the approach from Third Street, for which it paid $87,000. The balance of the cost will be provided by the State. The viaduct is estimated to cost $470,000. Driveway will be 44 feet or four lanes wide with a four-foot sidewalk on each side. It will be 1,390 feet long. Bids are to be received Dec. 27.

Negotiated further with Federal Cold Storage Co. at Chicago, yesterday, regarding lease of cold storage plant. Am writing you separately, recommending the proposition. It is very important to the early success of the market and to the development of Union Pacific traffic that this be approved. The officers of this company are unusually ag-ressive. They have examined into and know the situation thoroughly, and are prepared to give us 100% support.

There is attached clipping from tonight's Kansas covering an interview with Turney Gratz in which it is stated that Secretary Ickes and others heard of all his evidence and that it made no impression. This is the clipping referred to in my message.

There is attached a further clipping from the Kansan stating that the name will be Kansas City Food Terminal and giving as the reason that it serves Greater Kansas City.

The only change in the attitude of the dealers and brokers toward the project is that they are more interested than ever before.

Am attaching copy of letter from Chamber of Commerce of Kansas City, Kansas, Dec. 5, to Mr. William H. Bonneville, Director, Bureau of Inquiry, I. C. C., about Turney

Gratz and his complaint, advising that the complaint is unfounded.

(Signed) J. L. Haugh.

cc—Mr. C. R. Gray.

P. S.—Am enclosing Associated Press article appearing in this afternoon's Kansas City Star, advising that Secretary Ickes again stated that the market grant would not be disturbed.

[fol. 276] PLAINTIFF'S EXHIBIT No. 9

President's File No. 912

Volume 8

[fol. 277] (Copy)

Enroute to Phoenix.
December 11, 1938.

Mr. F. W. Charske
Chairman Executive Committee
Union Pacific Railroad Co.
120 Broadway
New York City, New York

Dear Mr. Charske:

Air mail letter prepared by Mr. Haugh mailed you from Kansas City last evening having reference to necessity for constructing cold storage facility at this time, if we are to be successful in moving the wholesale perishable market to the new location.

I appreciate there may be involvement with P.F.E., but we have consistently agreed with the S.P. on Ice Contracts on their line, and for that reason, I feel that they should agree on Kansas City.

In any event, the cold storage facility must be constructed at this time or face a split market.

Cochrane, whose name appeared on the protest telegram, and who is the most important perishable broker in Kansas City, happened to be at the Station; and stated he intended moving his offices to new location, but he was not so certain as to what some other important wholesalers might do.

He happens to be a brother-in-law of City Manager Judge McElroy. He stated that the attach made by Kansas City, Missouri was as untrue as it was vicious. I gathered from him that we may be faced with further litigation, and, perhaps, injunction proceedings.

Messrs. Haugh and Stanley insist that at least 65% of the wholesalers have or will take leases in the new location.

Mayor McComb of Kansas City, Kansas has advice that Bonneville of the I. C. C. is to be in Kansas City Monday next.

Very truly yours, (Signed) W. M. Jeffers.

CC—Mr. J. L. Haugh.

[fol. 278] (Copy)

Union Pacific Railroad Company

Telegram

12-13-38.

W. M. Jeffers
care Pioneer Hotel
Tucson, Arizona

C. R. Gray, New York.

Unit. Ground breaking ceremony moved off successfully this afternoon with excellent weather. Mayor McCombs was master of ceremonies. Senator Capper and Senator-elect Reed were present and spoke enthusiastically for project. Board of County Commissioners, Citizens' Committee and Committee of produce merchants were on speakers' platform. Geo. M. Bull, Regional Director PWA made very fine talk on behalf PWA. Approximately 5,000 present. Original Mr. Jeffers, Copy Mr. Gray.

J. L. Haugh.

[fol. 279] (Copy)

Omaha, December 20, 1938.

Mr. G. E. Stanley:

Mr. Armstrong handed me a suggested form of by-laws for the Kansas City Food Terminal Market Association. He probably handed you a copy. In the event he did not, am enclosing the original.

Am also enclosing a copy of the suggested rules and regulations governing the maintenance and operation of a farmers' market.

I also have a copy of suggested by-laws for the growers' association which I am enclosing.

It would be well to go over these carefully; see that they are particularly adapted to the Kansas City situation and then have the respective committees of the dealers and of the farmers work on them, after which they can be put in legal shape.

(Signed) J. L. Haugh.

[fol. 280] (Copy)

Kansas City, Mo.,
December 23, 1938.

Mr. J. L. Haugh:

Referring to bids received by Kansas City, Kansas, for the construction of the Kansas City Food Terminal. P. W.A. application included the following estimates:

1. Enclosing Jersey Creek			$188,400
2. Excavations and piling for structures—			
(A) Two story market building—			
Excavation		$12,480	
Concrete Piling		40,300	52,780
(B) For each one story Merchants Building—			
Excavation	$12,000		
Concrete Piling	35,850	47,850	
Three buildings, each $47,850			143,550
3. Incinerator Building—			
Excavation			64
Concrete Piling			None
4. Auction House—			
Excavation		225	
Concrete Piling		16,500	17,625
5. Farmer's Market—			
Excavation		1,125	
Concrete Piling		16,500	17,625
6. Cold Storage Building—			
Excavation		1,440	
Concrete Piling		44,500	45,940
Grand Total (Estimate)			465,086

Compare the above estimates with unit bids as follows:

1. Enclosing Jersey Creek, actual bid			$186,470
2. Excavations and piling for structures—			
(A) Two story market building—			
Excavation		$8,787	
Concrete Piling		21,924	30,711
[fol. 281]			
2. (B) For each one story Merchants Building—			
Excavation	$8,788		
Concrete Piling	19,115	$27,903	
Three buildings, each $27,903			$83,709
3. Incinerator Building—			
Excavation		54	
Concrete Piling		1,604	1,658
4. Auction House—			
Excavation		535	
Concrete Piling		7,774	8,309
5. Farmer's Market—			
Excavation		1,400	
Concrete Piling		10,949	12,349
6. Cold Storage Building—			
Excavation		911	
Concrete Piling		51,767	52,678
Grand Total for excavation and piling or a saving under the estimate of $89,202			$375,884

Mr. Schulz advises that he added $40,000 to the cost of Jersey Creek after his preliminary estimate by increasing the design and lengthening the structure to conform to the new harbor line along the right bank of the Missouri River.

Minnesota Avenue was estimated at about $90,000, whereas the contract was let in excess of $109,000. The sewers were let under the estimate named in the *the* P.W.A. application, but inasmuch as both Minnesota Avenue and the sewers will be paid by general obligation bonds, I am not making any comparison of the bids.

The opinion prevails among both architects and contractors that more money has been provided than necessary and every effort should be made to prevent unnecessary expansion of facilities. I am well pleased with your agreement that Mr. Schulz should be employed as Coordinating Engineer as he will work very closely with us and under the arrangement tentatively agreed upon by the City, he will be

the boss and can approve and disapprove with the city's consent. In addition to that, Mr. Higgins will check plans and safeguard our money.

(Signed) G. E. Stanley.

[fol. 282] (Copy)

Omaha, December 24, 1938.

Mr. H. C. Mann:
Mr. F. W. Robinson:

Following is a list of the contracts that have been awarded by the City to date in connection with the construction of the Food Terminal at Kansas City, Kansas:

Facility and Name of Contractor	Contract Bid	Engineer's Estimate
Reinforced concrete enclosure of Jersey Creek:		
Bushman Construction Co., St. Joseph, Missouri	$186,476	$188,400
Excavation and piling work for all structures:		
Tobin Construction Co., Kansas City, Kansas	189,413	325,000
Concrete retaining walls for trackage leading to wharf and paving of wharf:		
Brown Brothers, Kansas City, Kansas	50,455	62,200
Minnesota Avenue widening and paving:		
Tobin Construction Co., Kansas City, Kansas	107,423	113,495
Sewers:		
Brown Brothers, Kansas City, Kansas	51,260	71,970

(Signed) J. L. Haugh.

[fol. 283] (Copy)

Kansas City, Mo.,
December 27, 1938.

Mr. J. L. Haugh:

Some time ago you suggested that I prepare a memo daily about market occurrences. I will try to follow that

out and send you a memo happenings pertaining only to the market each day.

The attached is self-explanatory.

(Signed) G. E. Stanley.

[fol. 284] (Copy)

Memo on Kansas City Food Terminal

Kansas City, Mo.,
December 27, 1938.

Bids received on Minnesota Avenue Viaduct. J. A. Tobin Construction Company low on superstructure at $238,165. Aldridge Construction Company low on fill and approaches at $37,051.26. On account of union labor trouble, Aldridge may be eliminated and, in that case, the contract will be awarded to Scheerer Construction Company at $38,408.51.

Mr. DeOrio called at office and tentatively assigned each merchant to space in the two buildings facing Minnesota Avenue. However, Mr. DeOrio has signed leases for fourteen units that can not be accommodated in these two buildings and it will be necessary to use the southeast building for a part of the produce industry.

Met with Mr. Skinner and Mr. Breidenthal for lunch at the Alcyon Cafe and discussed several things with them, namely:

1. Rental figure for second floor office space.

2. Air conditioning plant.

3. Arranged meeting for architects and engineers with City Commissioners on Wednesday evening, December 28.

4. Discussed arrangement whereby restaurant, and other concessions, could be handled by Committee.

5. Met with Mr. DeOrio and the five members of the Committee, namely, J. J. DeMaria, Jack DeFeo, Ike Sarser, Simon Yukon and Harry Robinson, at which time they examined plans, discussed by-laws prepared by Mr. Armstrong, reviewed the space assigned to each merchant by Mr. DeOrio in the two buildings facing on Minnesota Avenue, and talked over various matters. They agreed to another meeting Thursday evening, December 29, at which time they will definitely space each merchant. The Committee is all harmonious and enthusiastic.

The Committee also discussed the person-ell of an enlarged Committee. In order to avoid any possible friction, they suggested that the Committee be widened out to seventeen or possibly as many as twenty-one, depending on who might later occur to them. However, they agreed on the following at this time.

All members of the present Committee want to serve on the Board of Directors in the Wholesale Produce Dealers Division and agreed on the following additions: Max Winnick, H. Widlan, Henry Fishman, Joseph DeOrio, Sam Lipman and Frank DeMaria.

[fol. 285] In the Brokers Division they agreed on Chester Michaels, Lewman Cockrane, Graham Cooksey and Dudley Brown. Mr. DeFoe said that Mr. Brown would want to be on the Board and said he would personally see that he would accept.

In the Poultry and Egg Division, where they only want one representative, the Committee agreed that Ben Glatt, a poultry and egg man on the Kansas side, would be a good representative.

In the Allied Food Lines Division, the Committee agreed that Mr. Heinley of the Heinley Brokerage Company, which has a large business with grocers and specializes in coffee, would be ideal as a representative. Mr. Heinley lives at Bonner Springs and is regarded as a wealthy individual.

There will be additions to this Committee and I promise to have the charter prepared just as soon as they come to an agreement, as each member of the Board of Directors would have to sign the charter and accept election for the first year.

G. E. Stanley.

[fol. 286] (Copy)

Meeting of the Board of City Commissioners Regarding Plans of the Kansas City Food Terminal and P. W. A. Appropriation, December 28, 1938, Kansas City Club

It was unanimously agreed that it would be satisfactory to invite Mr. Wm. H. Crow, Bureau of Agricultural Economics, U. S. Dept. of Agriculture, to visit Kansas City within the next ten days in order to inspect the plans and progress of the Food Terminal. A telegram was dispatched to Mr. Crow at 6:30 P. M. to that effect.

Mr. Stanley explained disposition of space assigned to various merchants in the Food Terminal and the objections to awarding space to certain merchants was discussed.

An extended conversation was also held concerning leases and certain paragraphs which were obscure in meaning to some of the members were explained in full. Mr. Stanley mentioned that the merchants who already have space assigned to them were proceeding to organize a Board of Trade with a President expected to be elected next week.

The question of intimidation against signers of leases by those opposed to the Food Terminal was cleared up with the explanation that such signers would be held incognito in order that they might be protected.

The cold storage angle was probably the most difficult part of the whole Food Terminal to handle but it is practically assured that this matter will be satisfactorily closed in the near future. Mr. Stanley said that Mr. W. M. Jeffers was in Miami Beach, Fla., at present and would meet Mr. Sinek to discuss this problem.

Mr. Stanley explained that service buildings were needed badly but were not in the estimates. There should be enough money to build such buildings as contracts are $87,000 under the estimates, plus contingencies. A service alley in the basement of these buildings is desirable which would extend out under the railroad tracks. Mr. Gentry claimed that such a building with the plans proposed would run the cost over the appropriation of the P. W. A. grant, but it was estimated that the plans could be revised to take care of this matter.

The question was raised of having elevators installed as part of the units and it was explained that the merchants were agreed that it would be more satisfactory to handle crates of vegetables or fruits by hand rather than have them unloaded down chutes to the basements of buildings. As all unloading would be done at night-time there would be a minimum of interference with traffic on the streets or other- [fol. 287] wise. It was estimated that the cost for building a service building would be from $60,000 to $100,000. Mr. Gentry was asked if there would be any difficulty in adding such a building to the plans and he replied that it was his opinion it depended on who was to lease the building. However, it was finally agreed among the members of the Board that there would be no difficulty about the matter.

The question of a coordinating engineer brought on a spirited discussion as to the most satisfactory man for the job. Due to the large mass of details in connection with the Food Terminal, this job was deemed to be very important in order that everything would be centralized instead of having several different men handle this, as at present. The suggestion was offered that Walter F. Schulz be appointed.

The appointee would receive $500 per month, have a full time secretary and would probably spend 80% of his time on the job, and have an office of his own. The question was raised as to what the P. W. A. representative thought of this arrangement and it was pointed out that the representative was about to make just such a suggestion.

The appointee would be responsible for supervision and would have to satisfy complaints and objections that would arise in connection with the job. He would also need to work out all the details of the different offices.

Mr. Darby told of a conversation he had with Mr. Nauman which conflicted with the facts and he desired to determine just what Mr. Nauman's position was. Mr. Darby also seemed to be in favor of Mr. McKinnell for the job of Coordinating Engineer. Mr. Stanley voiced the opinion that Mr. McKinnell was a good man but that he did not have the vision, ability or experience to handle this job. This opinion was also held by Mr. Voskamp and Mr. Breidenthal. Mr. Stanley mentioned his conversation with Mr. Haugh in this respect and Mr. Haugh agreed that something should be done about this matter and that Mr. Schulz was satisfactory. Mr. Stanley said that he would put the Union Pacific on record as favoring Mr. Schulz.

The final decision for the choice of Coordinating Engineer was postponed until the following morning.

The matter of keeping plans within the Kansas City area was also mentioned and Mr. Voskamp said the only way to accomplish that was to shorten the time of bidding. It is necessary to advertise for bids two weeks ahead of awarding the contract and it was decided to advertise for bids on January 18, 1939.

[fol. 288] Mr. Breidenthal asked if more than one contractor could be employed on one building, that is, a contractor for each unit. Mr. Gentry suggested that a contractor bidding for the whole building would probably offer a more attractive price than separate contractors bidding on sepa-

rate units. Mr. Radotinsky pointed out that the lowest combination of bids would take the award, whether such a combination was for a whole building bid by one contractor or several contractors bidding on separate units of the same building.

[fol. 289] (Copy)

Memo on Food Terminal Developments

Kansas City, Mo.,
December 28, 1938.

Mr. J. L. Haugh:

Mr. Schulz arrived from Memphis this morning. He came to my office and then proceeded to the construction job.

Met Mayor McCombs, Mr. Breidenthal, Mr. Darby and Mr. Schaible at the Mayor's office at 9:45 A. M. to discuss a Coordinatint engineer. Mr. Darby continued to support Mr. McKinnell for the job, but both Mayor McCombs and Mr. Schaible agreed on Mr. Schulz. Mr. Darby said he would not vote for Mr. Schulz, placing his objection on the ground that it would be poor politics to pay an out of town engineer $500 per month in addition to 6% on about $800,000 worth of work. Mr. Darby said he had no objection to the other two members of the Board voting for Mr. Schulz, but it would be useless to get him to do so.

I stated to the Board that Mr. Haugh had been consulted by me; Mr. Haugh was agreeable to Mr. Schulz and a salary of $500 per month, out of which Mr. Schulz would compensate his office staff, and if we were willing to have a coordinating Engineer it should be sufficient justification to the public because no tax money would be involved. Mr. Darby had no personal objection to Mr. Schulz and stated that if the Board proceeded on that basis, he would give consideration to discharging Mr. McKinnell because it would look bad to keep another engineer there at the City's expense. I doubt if he was serious about the suggestion.

Mayor McCombs suggested that I write a letter of approval for Mr. Schulz in the name of the Union Pacific. I agreed to write such a letter and return to a meeting of the Board at 3:00 P. M. A copy of this letter is attached to this memo and refers to Mr. Schulz' extensive experience.

Mr. Gentry, Mr. Voskamp and Mr. Radotinsky all recommended Mr. Schulz.

I returned to the City Hall at 3:00 o'clock. Mr. Skinner decided it was favorable to enact an ordinance appointing Mr. Schulz. The ordinance was drawn and passed on emergency. Both Mayor McCombs and Mr. Schaible voted for the ordinance. Mr. Darby left the city Hall before the meeting was called and did not appear or vote against it. He does not resent the appointment of Mr. Schulz but wants someone else to take the responsibility.

A copy of the ordinance will be clipped from the Kansan and will be attached to a subsequent memo.

Mayor McCombs gave me the name of the Levy Meat Company, whose president called on him yesterday. The Levy Meat Company desires to rent three or four units and, [fol. 290] with the consent of Mayor McCombs, I will talk to them within the next few days.

While at the City Hall, Mayor McCombs gave me the following information which he obtained from an undisclosed confidential source, namely—

1. Turney Gratz, Lt. Boyle and Ruby B. Garrett returned from Chicago where, in company with Mr. C. E. Johnson, President of the Kansas City Southern Railroad, they talked with Mr. Bonneville at the Congress Hotel.

2. Mr. Gratz claimed he had an appointment with Mr. Bonneville at Kansas City, but the latter did not come.

3. Mr. Gratz claims they have some connection in Washington D. C., that some Federal officer's sister by the name of Coffey works in the P. W. A. She is reported to have charge of writing checks for grants and that she will delay the check to Kansas City, Kansas, as long as possible.

4. Mr. Gratz and Lt. Boyle will leave Washington tonight. They claim they have some Federal charges which they will make against Mayor McCombs, about which he has no further information, and is of course, not concerned.

Conferred with William Fean about the Farmers' Market and some objections he had to Mr. Radotinsky's plan. Mr. Fean is straightening these out with Mr. Radotinsky direct.

Arranged a meeting with the Merchant's Committee at the Muehlebach Hotel, Room 2, Mezzanine Floor, at 6:30 P. M., where I will be accompanied by Mr. J. W. Mueller, Industrial Agent. Mr. DeOreo will also be present, the purpose of this meeting is to allocate desirable space in the two buildings facing Minnesota Avenue and for which

there appears to be a demand in excess of space. The result of this meeting will be included in tomorrow's memo.

G. E. Stanley.

[fol. 291] (Copy)

Memo on Food Terminal Developments

Kansas City, Mo.,
December 30, 1938.

Mr. J. L. Haugh:

Last night I met with the Merchants' Committee in Room A on the Mezzanine Floor of the Muehlebach Hotel. In addition to all five members of the Committee, Mr. Walter F. Schulz, Mr. J. W. Mueller, Industrial Agent, and Mr. Joe DeOrio were present.

The Committee reviewed a list of all the produce men in Kansas City, stating, at the same time, which ones wanted two units, which ones wanted one unit and a few that wanted split units. They rejected about four dealers from whom Mr. DeOrio had taken leases some time ago, on the ground that they were too small and not regarded as sufficiently stable.

The Committee then assigned spaces and, of course, it was decided that the five Committee members present would select their own spaces, which were assigned as followed:

A. Robinson & Sons, represented by Harry Robinson, agreed to take the south two units in the southwest building, being numbered 100 and 102. Mr. Robinson said that he wanted to select his neighbor on the north and it was agreed that Unit No. 104 would be assigned to Mr. H. Widlan, doing business as the Quality Banana Company. Mr. Widlan and Mr. Robinson have already agreed between themselves that the Quality Banana Company would lease the basement of one unit from Mr. Robinson so that Mr. Robinson would have two ground floor units and one basement and the Quality Banana Company will have one ground floor unit and two basements, but Mr. Robinson agreed to take leases on the two full units and the balance of the transaction would be private between he and Mr. Widlan. Mr. Widlan is a good merchant and is regarded as reputable.

Jack DeFoe, of the DeFoe Fruit Company, selected Units 134, 136, and 138, being at the north end of the first build-

ing. He has already agreed on subleasing of the ground floor unit of Unit 134 to Mr. L. Dreyer, with whom he has considerable business.

The balance of the space in the first building was assigned to various merchants, including two units for Garrett-Holmes, which firm has not signed a lease, but the Committee desires them to have space in the market.

Ike Sarser selected Units 200 and 202, being at the south end of the two story building. He also selected his neighbor, which will be the National Produce Company. This company has agreed to take Unit 204, including the basement.

L. Yukon & Son selected Units 214 and 216, including two basements, and selected his neighbor on the south.

[fol. 292] J. J. DeMarea selected Units 218 and 220 and also selected his neighbor on the north.

The balance of the space in the two story building was assigned to various merchants with the unanimous approval of the Committee.

The Committee also decided that the balance of the merchants who wanted space should be either one unit or split units. There will be about three split units, and it was agreed, in these cases, that two people would have to sign the lease for one unit. The Committee decided that they should be put in the southeast building and should include two seed stores for the convenience of farmers. They assigned each space in the southeast building, and that only left three units as it is probable that some big merchant would want at least two, and possibly three, units at the north end of that building, so the Committee decided they would not assign any space for those three units. They would also have a produce merchant in the south end of the northeast building and then want the balance of the building devoted to Allied Food Stores, such as cash and carry grocers, basket people and wholesale meat establishments.

The Levy Meat Company, which is an old established Wholesale house, is now located in the midwest Cold Storage Company building at 5th and Kaw River, Kansas City, Kansas. Mr. Levy called on Mayor McCombs personally and wants either three or four units, if the proper arrangements can be provided. It is not sure he will want basements. I talked to the Committee about this firm and they all agreed the firm would be a real asset to the market.

They perfer to have the meat stores in the units instead of the Cold Storage Building, as they think it will help the whold market enterprise. The Committee also agreed that the wholesale meat stores should be confined to the northeast building, or closest to the cold storage warehouse.

It was the opinion of the Committee that there would be no trouble in leasing all the space provided.

The Committee also talked about the by-laws and numerous things I will not include in memo form until definite decisions have been reached.

Mr. DeOrio was very helpful and the Committee seemed to regard him favorably. Jack DeFeo, however, was the most dominant in assigning proper space association of one merchant to the other.

The Committee enquired in particular about the cold storage house and I told them that that was still under active negotiations. They are resentful of the attitude of the United States Cold Storage Company and several mentioned they would not want that firm in the market under any circumstances.

The entire Committee is harmonious and very cooperative. Dinner was served in the room and the meeting continued until eleven o'clock. They mentioned it would be desirable to have office facilities in the downtown section [fol. 293] so they could hang up their plats, blueprints, pictures, etc., and handle fellows like Lorber, Garrett-Holmes, Helm, etc. I told them we would probably move our office to the Fairfax Building and would see if some temporary space could be provided for them and would let them know in a few days. I will call on the manager of this building, and, on account of pending negotiations, believe I can get them to donate an office these people can use for their limited purposes. They prefer to meet nights instead of afternoons.

G. E. Stanley.

[fol. 294] (Copy)

Omaha, December 31, 1938.

Mr. Jeffers:

The North Side Business and Improvement Association of Kansas City, Missouri, of which Turney Gratz is Manager, has filed a petition in United States District Court at Kansas City to enjoin the Union Pacific from building

the team yard tracks serving the Kansas City Food Terminal until such time as it secures a certificate of public convenience and necessity from the Interstate Commerce Commission.

Mr. Bockes received copy of the petition this morning. They have not yet had sufficient time to fully digest it.

The question has been reviewed several different times by our attorneys. Mr. Scandrett ruled, in the case of the extension of the Fairfax lead, that it was not necessary to get approval of the I. C. C. to that. Mr. Souby and Mr. Dana Smith have given the opinion that it is not necessary to get approval of the I. C. C. They are not concerned about the outcome, and will endeavor to have it handled very promptly by the Court so that there will be no delay.

In the meantime, the wholesale dealers have worked out an assignment of the entire space in two of the four wholesale buildings. Leases on the new form are being signed up rapidly. The new printed forms were just received yesterday. Fourteen have already signed. It looks very promising toward having the entire lay-out fully leased within thirty or sixty days.

(Signed) J. L. Haugh.

Copy to: Mr. Gray

[fol. 295] (Copy)

Memo for Food Terminal Developments

Kansas City, Mo.,
December 31, 1938.

Mr. J. L. Haugh:

Late yesterday afternoon I was advised about a suit brought in the United States District Court at Kansas City, Mo., by L. Singer et al., against the Union Pacific Railroad Co., to enjoin the building of track facilities.

I notified Mr. Bockes by telephone about the suit and also talked to Mr. Ess. The latter promised to mail a copy of the petition to Mr. Bockes.

Deputy U. S. Marshall Joe Murphy called at the office and served me with a copy of the petition and summons, which was turned over to Mr. Ess.

Mayor McCombs, Mr. Bailey, Mr. Breidenthal, Mr. Willette and innumerable other people called about the suit. Arranged a meeting with Mayor McCombs, Mr. Skinner,

Mr. Breidenthal, Ray Willette and J. O. Young at 6:30 P. M. at the Kansas City Club. J. O. Young talked to the City Editor of the Kansas City Star and was assigned a reporter by the name of "Swede" Knolson, who came up to the Club and visited with our party. The attached publicity in the morning Kansas City Times was written by Mr. Knolson. He is *a* personaly friendly to the market enterprise and informed us that Ruby D. Garrett, General Counsel of the Chamber of Commerce and a member of the City Council of Kansas City., Mo., is spending his time now trying to keep the United Air Lines out of Kansas City enroute via Denver. Mr. Knolson said he made a memo of the fact for Roy Roberts and told Mr. Roberts that Mr. Garrett should resign as General Counsel of the Chamber of Commerce at a salary of $350 or quit trying to keep business out of Kansas City.

Mr. Garrett is also General Counsel of the T. W. A. He is a Democratic politician and get his title of Colonel through service with the Missouri National Guard, although he is a World War veteran. Mr. Garrett is regarded as a mediocre lawyer.

At the conference last night a number of defensive measures were discussed, but it was generally decided that everybody would keep their shirts on and let the opposition break their own necks.

This morning an elderly man by the name of Ginnochio Jones called at the office. He is a retired produce dealer, who was engaged in the business for forty-four years, and is reputable and wealthy. Mr. Jones stated to me that he would forthwith tender his resignation from the Chamber of Commerce of Kansas City, Mo., and even threatened to write a letter to the Public Mind Column of the Kansas City Star about the opposition of the Chamber of Commerce to the new produce terminal. He said that both [fol. 296] Mr. Singer and Mr. Helm were reputable produce dealers, but the balance were a bunch of North Side Democratic politicians.

Mr. H. R. Ennis, a member of the Chamber of Commerce, called at the office. He said that some of the railroads had agreed to put up some money and that the suit was being fostered outside of the Chamber of Commerce. He mentioned Mr. Woodmansee as the most active opponent and the leader of the opposition.

Mayor McCombs called me by telephone and said he

learned through a confidential source that the opposition claimed that Conrad H. Mann has given them $2,000 and that four or five railroads have given them $10,000. Incidentally, Mr. Ennis mentioned that the Santa Fe was actively supporting the opposition and he said he had the information from such a source it could not be disputed. Mr. Ennis also mentioned that the C. B. & Q. was contributing money for the fight.

I had other telephone calls, but it can be generally stated that the reaction is entirely favorable to the Union Pacific. Alonzo Gentry informed me that Virgil Ferguson, owner of the U. S. Sup-ly Company, was recently solicited for new membership in the Chamber of Commerce. Mr. Ferguson said he not only declined but threatened to resign himself on account of their attitude about this market fight.

It would be especially helpful if men like Mr. Mitchell and Mr. Armstrong could spend some time in Kansas City.

I omitted to mention that Mr. Ennis stated that the Committee of the Chamber of Commerce criticized us very severely for taking industries out of Kansas City, Mo.

Mr. DeOrio called at the office this morning and left three additional leases executed on the new form. This makes a total of fourteen units that have been leased since yesterday morning when the printed forms became available.

G. E. Stanley.

[fol. 297] (Copy)

Memo on Food Terminal Developments

Kansas City, Mo.,
January 3, 1939.

Mr. J. L. Haugh:

Over the holiday week-end conferred with Mayor McCombs, Mr. Skinner and Willard Breidenthal.

The publicity in all the Kansas City papers, summing up the business for the last year, made prominent mention of plans for the wholesale market. Practically nothing was said about the Kansas City, Mo., market.

Talked with Mr. Leon Levy, President of the Levy Meat Company, now housed in the Midwest Cold Storage Plant at 5th and Kaw River, Kansas City, Kansas. This firm does

a very large business and specializes in good quality meats. Its business is divided among all the Kansas City packers and from that standpoint would give everyone representation.

Also talked to Mr. Jake Mauer, owner of the Mauer Packing Company, a small independent packer. Mr. Mauer said he had given some consideration to leasing a unit but that he handles beef only, and figures that it would be necessary to handle 150,000 pounds per week to break even. He will give the matter further consideration but I do not believe he will be interested in establishing a unit. He mentioned the Levy Meat Company in particular and said that they would be the best people that could be obtained in Kansas City for the purpose.

Mr. Mueller, Joe DeOrio and I spent about three hours with Mr. Gentry and Mr. Voskamp and arranged to get plueprints to accompany the leases. The plans to be submitted will show size and location of each refrigerator and banana room. Practically every detail has been worked out on the two buildings fronting on Minnesota Avenue and the southeast building, but the northeast building, or the one closest to the Cold Storage Plant, has not been leased. In this latter mentioned building there will be located the wholesale meat plants, cash and carry grocers and allied food lines, so I suggested to Mr. Gentry and Mr. Voskamp that no attempt be made to provide elevators or refrigerators in that building as it would be constructed without partitions. The plumbing could be roughed in only. In that we can meet the variable conditions by a finish up contract as all the details are worked out. In other words, there will be some tailer made jobs and this is the building in which they will have to be located. I talked over this plan with Mr. Schulz and Mr. Breidenthal and they were agreeable. I did not confer with Mr. Haugh for the reason that we do not have sufficient lease information to do otherwise and it is simply all that can be done at this time.

Mr. Walters called from Chicago and promised to be in Kansas City in the morning.

Si Yukon called by phone and said there was a new peti- [fol. 298] tion being circulated by Turney Gratz on present Kansas City market conditions on which he was not advised about.

G. E. Stanley.

[fol. 299] (Copy)

Union Pacific Railroad Company

Telegram

KC 1 4 39 916 AM
JLJ OMA

J 12. Plans for One and Two Story Market Buildings be Ready About Jan 7, at Which Time Will Obtain and Send You Sets S 21
GES.

[fol. 300] (Copy)

Memo on Food Terminal Developments

Kansas City, Mo.,
January 4, 1939.

Mr. J. L. Haugh:

Mr. Walters arrived from Chicago. He and Mr. Weedin looked over the site and went to the present market where they conferred with a great many produce dealers. They both report the feeling is very good. Mr. Walters made a luncheon engagement with Mr. Lorber tomorrow.

I am advised that Jack DeFeo had been talking to Dudley Brown and is making substantial headway. Mr. DeFeo is trying to persuade Mr. Brown to become one of the directors of the Market Association.

I learned that the petition being circulated by Turney Gratz is in the nature of a complaint to be filed with the Interstate Commerce Commission. Some of the merchants may have to sign this petition in self-defense, but we are doing all that we can to discourage them from signing it.

Mr. Gentry and Mr. Voskamp delivered the blueprints showing the elevator and refrigerator units and all details for each lessee in the southeast building. These are being attached to the leases as fast as possible. Mr. Dyson is handling the details of outlining the area by red lines and Mr. Mueller is assisting Mr. DeOrio on various details. It was necessary to make some changes on the prints furnished by Mr. Gentry, and that has been handled by marking up the prints he furnished and returning to his office for redraft.

I conferred with Mr. Weedin about a plan whereby all the contractors would designate him as the routing man on all

business moving to the new terminal. I learned that the Bushmen Construction Company routed one car against the Union Pacific. Mr. Schulz agreed to talk to Bushman about that. He is very cooperative about all matters.

I talked to Mr. Schulz and Mr. Higgins about numerous details, including the passageway between the Store Building and the office section. Mr. Schulz is busy moving from architect's office to architect's office and working out all the planned details. Also talked to Mr. Schultz about hastening advance requisitions to the PWA and the necessity of getting money in the bank. The PWA has not, as yet, confirmed his appointment as Coordinating Engineer and it may be necessary to wait until that is done before Mr. Schulz, himself, can be of any official help.

Mr. DeOrio brought in three or four new leases today. He is working hard and apparently doing a very good job. About 35 units have been covered by new leases. A great many of the produce dealers will leave Kansas City the third week of January and we are trying to get everything finished before they go to the California convention, other-
[fol. 301] wise they will defer signing until their return.

Arranged with the Fairfax Building to give, without rent, two offices on the tenth floor. They also have some excess furniture and agreed to furnish that in cooperation with us.

Mr. DeOrio will have a telephone installed in that office and will make it headquarters for the Committee.

G. E. Stanley.

[fol. 302] (Copy)

Memo on Food Terminal Developments

Mr. Welter of the Pacific Fruit Express, who arrived in the city the preceding day, reported on his check-up of the market situation in company with Mr. Weedin and Mr. Fryer. They talked to several merchants, including Michael, DeMarea and DeFeo and others. Michael is reported as being very friendly but they did not talk any details of leases with him.

Mr. Walter today talked with Dudley Brown and made an appointment with him for tomorrow. He also took Eddie Lorder to lunch and tried to lease him two units in the southeast building. Lorber registered a complaint about DeOreo and criticized the leasing methods. He again referred to the importance of getting large merchants like

himself, Helm and Garrett-Holmes into the deal. I have formed a personal opinion that Lorber is definitely adverse and wants to create a situation whereby he can be brought in as a leasing agent similar to the manner in which he leased stalls in the City Market for Kansas City, Mo.

DeOreo brought in four more executed leases, bringing the total up to 38 units signed by 30 different merchants. Fean is also making some progress on farmers' leases and claims to have over 300 executed leases.

I gave DeOreo and Fean each a check for $350 for services performed in December.

Attended a meeting of the Industrial Committee of the Chamber of Commerce, Kansas City, Mo., at Hotel Muehlebach. It was a noon meeting attended by practically everyone on the Committee, or a total of 25. They also invited Conrad H. Mann, Honor-y President, and R. J. De Motte, President. The meeting was presided over by Major T. J. Strickler, Vice President of the Kansas City Gas Company, who is also Chairman of the Industrial Committee. *Jamor* Strickler presided in a high class, impartial manner. He stated that Colonel Ruby Garrett had intended to appear before the Committee and discuss the new market stiuation, but was prevented from doing so by illness in his immediate family. No other mention was made of the market.

Conrad Mann made a sort of pep talk and then the meeting dragged into a discussion of aviation and its possibilities, finally ending up in a resolution to establish a new airport on the east side of Kansas City, Mo., for factories, airplane schools, etc. I did not vote against the motion. Several members of the Committee twitted me about the matter. One member of the Committee asked Mann about using Fairfax Airport and he replied in rather an emphatic manner that, "I am not interested in the so-called Fairfax District."

I had the feeling that if it had not been for my presence there would have been a general adverse discussion of the [fol. 303] market situation by some of the prejudiced members like Conrad Mann, Hugh Curran, Bruce Forrester, and, possibly some other members of the Committee. Mr. Collett, President of the Stock Yards Company, Mr. Duffy, President of the Kansas City Terminal Railroad and Mr. J. Wilson of the Standard Oil Company, all expressed re-

gret to me personally that the Committee could not work in harmony on all matters pertaining to the betterment of Kansas City.

I have been a member of this Committee for four or five years. Ordinarily, it has about four or five meetings a year and I have never known them to take up any matter of consequence. I would just as leave resign and would do so now if the reason would not be too obvious.

E. M. Dodds, President of the U. S. Cold Storage Co., is a member of the Industrial Committee and certainly would have brought up the market matter if I had not been present.

Yesterday, Willard Breidenthal called all public bodies in Kansas City, Kansas, and all contractors doing public work, requesting that none of them purchase any material from the Richards & Conover Hardware Company on the ground that Mr. Woodmansee had come out openly against the new market in Kansas City, Kansas. The latter, yesterday, informed Mr. Brotherson, Superintendent of the Board of Education, Kansas City, Kansas, which has a large order for hardware pending, that he intended to see "his friends, Willard Briedenthal and Guy Stanley". Mr. Woodmansee has said nothing to me about the matter to date, and if he does, I will explain that we are not a party to the threatened recrimination, but from his own standpoint, I would advise him to publicly reverse his position about the market.

Took dinner at the Phillips Hotel with Mr. Walter and Mr. Weedin and we discussed various phases of the market situation.

I read in the afternoon Kansas City Star, that Judge McElroy had requested the City Counselor to advise him whether or not it was legally feasible for the city to intercede in the suit pending in the Federal Court against the Union Pacific. I also discussed the same matter with Mr. Ess and sent clippings to Mr. Haugh.

Walter Schulz called at the office and discussed some small details about the market plans.

G. E. Stanley.

Kansas City, Mo., January 5, 1939.

[fol. 304] (Copy)

Memo on Food Terminal Developments

I met Walter Schultz last night at the Kansas City Club. He had been in touch with Mr. Radotinsky and Mr. Gentry

and advises plans will go to Ft. Worth about Thursday of next week. If approval is obtained in time we want to advertise for bids on January 18 and set the date about two weeks after.

They are debating among themselves whether four merchant's buildings should be included in one contract. Mr. Gentry thinks they should from the standpoint of uniformity, equipment, etc. He also thinks there are at least five or six contractors in Kansas City big enough to bid on this basis and furnish bond. Contractors in Kansas City, Kansas, are urging the City to split these four buildings up into four units of construction. Nothing has been settled and it may lead to quite an argument.

Mr. Radotinsky will have detailed plans ready for the Auction House, Incinerator and Farmer's Market. He is waiting on the Cold Storage lessee before starting on this unit.

Mr. Schulz will have practically all of his plans ready to go to Ft. Worth next week, so that after that general clean-up there will only be plans for the Service Stores Building, or west section of Unit D, and the Cold Storage Building and such others minor details as may develop from time — time. After these bids are taken we will have fairly definite information about the ultimate cost, and I will be personally disappointed if there is not at least $200,000 left after the Cold Storage and other buildings are included. At that time we can give attention to such items as garage and other things that have been mentioned.

Mr. Skinner called about two letters received by the City Clerk about two days ago, about which he was just advised. I attach copies of each and it should be noted that the answers to both letters are very simple. I presume the P. W. A. has been advised of the Ordinance passed creating the position of Coordinating Engineer, and the PWA at Washington D. C. was certainly advised about the railroad facilities. It should be unnecessary to review all of this with the Ft. Worth office except to send them copies of Ordinances and advise they were enacted in accordance with the directions of the Washington D. C. office.

Willard Breidenthal called Mr. Bull by telephone, reaching him at Denver yesterday. He emphasized the importance of naming Mr. Schulz Coordinate Engineer and

Mr. Bull promised to look into the matter upon his return to Ft. Worth.

Publicity in the Kansas City Kansan yesterday, quoting Judge McElroy, is attached.

Mr. DeOreo brought in two leases today, one signed by [fol. 305] L. Gordon and the other by Mallin Produce Company. The latter was an irregular execution in that he wrote on the lease that he had the right to change his mind.

I received further verification that attempts will be made next Monday to lease space in the wholesale section of the Kansas City, Mo., market at $1.00 per month. I asked Mr. DeOreo to advise members of the Committee that these leases might have some trick clause in them, such as requiring that the merchants should not operate in any other market in this community and would have to agree to make that their main place of business.

Mr. Schulz is devoting all of his time to matters in connection with the Food Terminal. He will remain here all next week, but has to be in Washington, D. C., on the 16th and in New York on the 18th.

G. E. Stanley.

Kansas City, Mo., January 7, 1939.

[fol. 306] (Copy)

305GNU RUSH
KC 1 11 39 445P

JLH (Pencil Note: Train 15, Nebraska Division & return) DeOreo Concluded Lease for Two Additional Units Today and One Monday Thereby Bringing Total Units up to 45 Signed by 35 Different Merchants Everything if Allright in Kansas City S 30
GES

[fol. 307] (Copy)

Memo on Food Terminal Developments

Learned that bids received by Kansas City, Mo., were about $67,000, or slightly over $11,000 per unit. Mr. Winn also said each unit would contain about 4,000 square feet.

Talked with Mr. Mitchell again.

Learned that Mr. Woodmansee was complain-g about being shut out of business in Kansas City, Kansas.

Mr. DeOreo brought in lease signed by Winer & Saroff for two units, bringing the total to 46. Also talked about numerous matters, including concessions.

Visited the site. It was very active and it was evident that every construction contract was being pushed.

Lee Metcalfe proposed a dirt fill north of Jersey Creek, indicating he could do the job for about thirty cents per yard. He wants to talk to Mr. Haugh.

Mr. Schulz said he would leave tomorrow, as he had to be in Washington Monday and Tuesday and in New York Wednesday. He will be gone one week. There has been no word about his appointment as Coordinating Engineer, except that Mr. Skinner and Mr. Rouse prepared a good letter in his behalf.

Mr. Breidenthal called from Topeka and wanted to arrange a meeting with Mr. Skinner for tonight, which was done.

Mr. J. J. DeMaria called to make a request.

G. E. Stanley.

Kansas City, Mo. January 12, 1939.

[fol. 308] PLAINTIFF'S EXHIBIT No. 10

President's File No. 912

Volume 9

[fol. 309] (Copy)

Kansas City, Mo.
3-31-39.

Mr. J. L. Haugh:

Mr. Wellman assisted Mr. Schultz and Mr. Higgins in preparing a revised estimate of cost on the Kansas City Food Terminal, a copy of which is attached. You will note that both the merchant's buildings and auction warehouse are included in the figures.

Mr. Wellman also conferred with the architects at Kansas City and advises he has had the cooperation of all of them in cutting down the cost. We feel that there will be no difficulty in making the change orders. That is something that will have to be watched as the matter develops. Mr.

Wellman will return to Omaha tonight and advises he can come back next week when required.

Mr. Hulsizer reported in Omaha that we were in difficulty about the contracts here.

As stated to you over the telephone today there will be no difficulty about awarding the contracts to S. Patti Construction Company and Weeks Construction Company. Some local firms are extremely disappointed about outside competition and the city officials have been bombarded by them. However, I am advised that at the next regular meeting, which will be held the afternoon of election day, these contracts will be awarded as scheduled and architects will take them to Ft. Worth. If it can be conveniently arranged I think Mr. Wellman should go to Ft. Worth as P. W. A. has already indicated that they want our cooperation on this project.

(Signed) G. E. Stanley.

[fol. 310] (City)

March 31, 1939.

Mr. F. W. Charske, Chairman Executive Committee, New York.

Dear Mr. Charske:

The United States War Department have now advised that they have the appropriation, have completed surveys and are ready to start work constructing the dike in the Fairfax District around Goose Island and south to Jersey Creek. The southerly end will provide protection for the Union Pacific team yard tracks. This dike will be built about three feet higher than the old dike; will have a 10-foot crown and a very wide base with a three to one slope on the river side, revetted where necessary, and with an eight to one slope on the land side. The dike will enclose about 400 acres of additional land.

Before the Government will start work, however, they require that the Fairfax Drainage District have clear easement to all of the right-of-way required for the dike.

There has recently come to light a claim of A. W. Farney, who purchased a deed from Platte County, Missouri in 1903, which deed is of record. The ownership of the island and its accretions by Platte County, Missouri is subject to question and doubt.

The Kansas City Title and Trust Company issued a guaranty policy in favor of the Fairfax Airports, Inc. on this particular property, and has responsibility in connection therewith.

The interests in Kansas City, Missouri, who are doing everything they can to interfere with, delay and block the Kansas City Food Terminal Market, are working on this claim with the idea of bringing a suit, claiming that the title to the Goose Island property was acquired through fraud.

Our attorneys think there is sufficient ground for the Platte County ownership of the island prior to the deed to A. W. Farney, that the case should be settled if it can reasonably be done.

If a suit should be started, that in itself would hold up the ability to provide the rights-of-way for the dike, which must be provided before the War Department will start work on the dike.

Mr. Farney has offered to settle the case and give a deed for the lump sum of $3,500. The Kansas City Title and Trust Company are agreeable to assuming one-half of this cost.

In all of the circumstances, I recommend settlement of the case. It will cost the Kansas City Industrial Land Company $1,750, most of which will be charged to the account of the Fairfax Airports, Inc., on whose property the Land Company has mortgages.

Yours very truly, (S.) W. M. Jeffers.

[fol. 311] (Copy)

1939 Apr 5 PM 3 50

219U KC 5 340P
JLH DEN

City Has Drawn Voucher for $60,000 to Pay Interest on Bonds Due May 1, 1939, Which Sum Will Be Transmitted to State Treasurer at Topeka. Am Advised Will Be Necessary Have Our Coupons Presented Apr 15 in Order Secure Money On or Before May 1 and Suggest You Request Our New York officials Forward Coupons at an Early Date. Interest on $1,033,000 Was Paid From Income Account and Balance Paid Out of Construction Account. City Maintains Policy Having Money for Interest and Principal in State Treasurers Hands 15 Days Before Due Date S 126 • • • GES.

[fol. 312] (Copy)

Telegram

1939 Apr 7.

B77U Rush
KC 7 1041A

J L Haugh Chgo

J 75. After All Day Ordeal City and Contractors Patti and Weeks Executed Construction Agreements Late Yesterday Afternoon. All Documents Transmitted Railway Express to Ft. Worth Last Night. Mr. Strachem Engineer From Mr. Bull's Office Was Present and Urged City Issue Work Order Yesterday but Mr. Skinner Resisted Recommendation on Technical Grounds and Insisted on Writing Another Letter to PWA Probable Work Order Will Be Issued Early Next Week. Messrs. Gentry and Schulz Today Working on Change Order for Floor and Foundation Details in Line With Mr. Wellman's Recommendations Which Will Be Turned Over to Local PWA Inspector Engineer Nauman Today and Will Be Transmitted as Matter of Course to Ft. Worth for Approval. During Day Will Advise Mr. Prater When Will Be Opportune Have Mr. Wellman Here To Work With Architects. S 130 Jt JLH Oma&Chgo BHP OMA

G. Stanley.

[fol. 313] (Copy)

Kansas City, Mo.,
April 7, 1939.

Mr. J. L. Haugh:

As you know there has been, for some time, a political quarrel raging between Governor Stark of Missouri and the T. J. Pendergast organization. The governor recently proposed that the Kansas City police department be taken away from the control of a corrupt political machine and the move has been stoutly resisted by local politicians.

Recently Conrad H. Mann asked the Chamber of Commerce to go on record as favoring home rule government for the police department and send a committee to Jefferson City to support Mr. Pendergast and oppose Governor Stark. This is of interest to us only in that our friend Hugh J. Curran is still on the committee. It will be interesting to find out if they actually go to Jefferson City in the light of the indictment announced today.

Tear sheets from the Kansas City papers are attached for your information.

Today Turney Gratz met William Fean. Mr. Gratz referred to the indictment of "my big boss." He then said he had made a mistake in fighting us on the market; that he seriously doubted if their market would be completed and wanted to know if Mr. Fean thought there was any chance of him getting a job with us. Mr. Fean replied that both you and I were angry with Mr. Gratz but notwithstanding that he, Mr. Fean, would talk to us in his behalf.

The indictment, although expected, is a more flagrant charge than was ever considered possible and in view of the announcement by the U. S. District Attorney that the investigation is preliminary only and further indictments against individuals and politicians would probably follow is causing considerable alarm.

Some people have already remarked to me that the development will advantage us in the market war. I have stated to all that our market is entirely independent of politics and does not depend on the fortune or misfortune of any politician. I must admit, however, there is some sense of relief in view of the unscrupulous attacks that have been made on our project. I am even reminded of what Secretary Ickes told Turney Gratz at Washington and I imagine he is now laughing down his sleeve.

(Signed) G. E. Stanley.

[fol. 314] (Copy)

1939 Apr. 10 AM. 10 49.

KC 10 1002A

J. L. Haugh Den

We Have Never Had a Complete Audit of the Handling of Construction Funds by City for Construction of Elevator and Other Improvements or the Income Therefrom Which Account Was Taken Over by Refunding Issue of $3,000,000 of Revenue Bonds. Would Like Have This Done Now and Then Make Arrangements Get Statement Each Month Showing Status Construction Account and Withdrawals for Construction Purposes. When New Leases Become Operative You Can Easily See It Will Involve Quite a Detail. Senator Joseph S. McDonald, a Certified Public Account-Is Resident Manager of Mattison and Davey, National Accounting Firm. He Offices One Block from City Hall and Has Good Standing with All City Commissioners Including Newly Elected Commissioner. Senator McDamond Was In-

strumental in Passing All Revenue Bond Measures and Very Anxious for While Project to be Financial Success. Would, Therefore, Recommend Employment This Firm with Understanding that Senator McDonald Give His Personal Attention to Matter. He Offered Bring Statement up to Date on Regular Professional Basis and Make Check Up Month to Month Furnishing All Necessary Copies at Cost $100 Per Month. I Believe This Reasonable and Ask Your Concurrence in This Recommendation S 136.

GES.

[fol. 315] (Copy)

Subject: Bills Payable.

Omaha—April 13, 1939.
No. A-455-B.

Mr. G. E. Stanley, Kansas City.

Referring to Mr. Haugh's letter April 11th:

I send to you herewith, for delivery, UPRR Co. Voucher No. 778173 in favor of W. J. Breidenthal, Cashier, Riverview State Bank, Kansas City, Kansas, amount $500, for services rendered February and March 1939.

H. A. Toland.

Encl.
CC: Mr. J. L. Haugh.

[fol. 316] (Copy)

1939 Apr. 14 PM. 1 47.

163U
KC 14 103P.

JLH DEN

J 7. Mayor McCombs Just Advised Board City Commissioners After Considerable Discussion and Deliberation Decided There Was Some Legal Question About City's Right Pay Eleven Cents Per Yard and Also Acquire Property, so Any Plan Cooperate With City Must Be Abandoned. Therefore Recommend that Contract Be Awarded J. A. Tobin Constr. Co. Which Submitted Lowest Combination Bid. Mr. Tobin Advises He Will Not Use Minneapolis Dredge But Has Equipment That Can Be Put On Job Quickly. If Agreeable Please Have Mr. Prater Accept Tobin's Bid or Authorize Me Handle Matter Further S 146. Orig. JLH Denver CY BHP Omaha.

GES.

[fol. 317] (Copy)

Kansas City, Mo.,
April 18, 1939.

Mr. J. L. Haugh:

At the time William C. Crow was making his report on market conditions at Kansas City, Mr. Higgins prepared, at my request, a comparative statement showing distance in miles, one way, between train yards of Kansas City lines to public levee and existing Kansas City Southern team tracks.

This information may be helpful to you.

(Signed) C. E. Stanley.

[fol. 318] (Copy)

The distance in miles from the train yards of Kansas City Lines to the proposed Produce Terminal Yards to be served by the Union Pacific R. R. and K. C. Southern R. R. is shown on attached statement with the excess mileage of one location over the other indicated.

For six of the roads the location served by the Union Pacific is closer and for the other six the location served by the K. C. Southern is closer in actual mileage over the routes now usually traversed in making the usual interchange by the railroads.

The excess mileage is carried over to the second statement and the total cars of perishables handled per year by each railroad applied to this excess mileage shows a net excess car mileage per year of 40,592 car miles to the yard served by the K. C. Southern as compared to the yard served by the Union Pacific R. R.

In addition to the saving of 40,592 car miles per year by using the Union Pacific location is the advantage in grades, accessability, and nearness to reserve power in favor of the location served by the Union Pacific. This location is within 1.63 miles of the Union Pacific roundhouse, shops, and yard, so that unlimited power is available at any time to amply serve the property. Maximum grade is a short stretch of 1.16% and curvature is suitable for the largest locomotives, so that 50 or 60 cars can be handled rapidly with one engine. The location served by the K. C. Southern is reached from the Henning Street Yard by a 2.0% grade over a route that is restricted to light weight engines and is doubtful if 20 cars can be handled in one movement. In

addition to the 2.0% grade the lead to the yard proper will be on a long grade in excess of 1.5% on a sharp curve throughout so that rapid efficient, service is questionable.

Attached is print of freight interchange map at Kansas City, scale 1"—2000' shows the interchange points of the various railroads and the main train yards. There is indicated in yellow on this print the train yard of each railroad and the connection to the proposed produce terminal to be served by the Union Pacific and to the yard to be served by the K. C. Southern. Cars for the market served by the Union Pacific will be assembled at Armstrong shown as "No. 4" while cars for the market served by the K. C. Southern will be assembled at the Henning Street Yard which is shown as "No. 17".

(Unsigned.)

[fol. 319] Comparative statement showing distances in miles, one way, between Train Yards of Kansas City lines as listed and connection with lead track to proposed fruit and vegetable yards to be served by the Union Pacific and K. C. Southern, respectively.

(Mileage is computed via actual route traversed from train yards listed through intermediate yards, if any, to Union Pacific Armstrong Yard, thence Union Pacific to connection at Minnesota Avenue, with lead track to proposed River-Rail yard to be served by the Union Pacific; and

Via actual route traversed from train yards listed through intermediate yards, if any, to K. C. Southern Henning Street Yard, thence K. C. Southern to connection at 2nd & Charlotte with lead track to proposed market district of Kansas City, Missouri, to be served by the Ka. C. Southern)

Railroad	Yard location	Mileage To U.P. Terminal	Mileage To K.C.S. Terminal	Excess Mileage U.P. over K.C.S.	Excess Mileage K.C.S. over U.P.
Alton	Lydia Ave.	5.41	4.04	1.37	....
A.T.& S.F.	Argentine	6.18	7.13	....	0.95
C. B. & Q.	No. Kans. City	5.58	5.46.	0.12	....
C.G.W. *	State Line	1.10	2.04	....	0.94
C.M.St.P.	Coburg	9.58	8.40	1.18	....
C.R.I.& P.	Armourdale (west).	2.77	5.93	....	3.16
K.C.S.	East Kans. City	8.96	7.84	1.12	....
M.K. & T.	Glen Park	4.09	4.41	....	0.32
Mo.Pac.	East bottoms	7.13	6.88	0.25	....
St.L. & S.F.	Rosedale	4.86	5.18	....	0.32
Union Pac.	Armstrong	1.63	4.09	....	2.46
Wabash	No. Kans. City	5.99	5.74	0.25	....

* Via Kaw point interchange direct. Not via Armstrong

[fol. 320] Comparative statement showing Excess Car Mileage "U. P. Over K. C. S." versus "K. C. S. over U. P." for each railroad listed and Net Excess Car Mileage "K. C. S. over U. P." based on total "Unloads" and "Diversions" at Kansas City as reported by Bureau of Agricultural Economics of the United States, Department of Agriculture for 1936 and estimated receipts for each railroad.

Railroad	Excess Mileage U.P. over K.C.S.	Excess Mileage K.C.S. over U.P.	Total cars	Excess Car Mileage U.P. over K.C.S.	Excess Car Mileage K.C.S. over U.P.
Alton	1.37	....	5	7	.....
A.T. & S.F.	....	0.95	4032	....	3,830
C.B. & Q.	0.12	....	1195	143	.....
C.G.W.	....	0.94	370	....	348
C.R.I. & P.	....	3.16	6091	....	19,248
C.M.St.P. & P.	1.18	....	352	415	.....
K.C.S.	1.12	....	2973	4450	.....
M.K.T.	....	0.32	1543	....	494
Mo. Pac.	0.25	....	10140	2535	.....
St.L. & S.F.	....	0.32	1219	....	390
Un. Pac.	....	2.46	9706	....	23,877
Wabash	0.25	....	180	45	.....
			38806	7595	48,187
Net excess car mileage—K.C.S. over U.P.					40,592

[fol. 321] (Copy)

At Denver,
April 21, 1939.

Mr. G. E. Stanley:

Am returning the architect's sketch of plan for merchants' building row, dated April 13, 1939.

This is a beautiful, artistic design. The only objection that I have to it is that there isn't money enough in the world to build it.

I would suggest that something be built there of modest design and moderate cost. Unless this can be done, we cannot hope to go ahead with it because of the limited amount of money available.

J. L. Haugh.

[fol. 322] (Copy)

Kansas City, Mo.,
May 1, 1939.

Mr. J. L. Haugh:

A few days ago I mailed you a clipping showing that Mayor Smith and Mr. Zachman, new city manager, had instructed Mr. M. S. Murray, Director of Public Works, to

advertise for bids for additions to the city market. I am further advised that this is being promoted by Ted Dodds, Turney Gratz, Hal Lebrecht and the same old crowd. They plan on building five large wholesale units, that is, large compared to the ones that have been constructed. Each unit will have a floor space of 40 x 40 feet. It is estimated that the wholesale units will cost $110,000 and the retail market will cost $75,000.

Si Yukon has proposed that the merchants sign a declaration advising the city that they will not use the facilities already constructed and it is a needless expenditure to build any more. Yesterday forenoon I met Mr. FeFeo and Frank De Marea, a latter a cousin of J. J. DeMarea, on the new market site in Kansas City, Kansas. They also agreed it would be a good idea to notify the Kansas City, Mo., people along the lines mentioned by Mr. Yukon. I believe the sentiment is such in this city that they will be interested in saving money.

It would take the city about two weeks to receive bids and about two weeks to award the contract, so something will have to be done this month. I would prefer to wait until Joe DeOreo returns to Kansas City as he would be helpful in getting the merchants to sign the declaration.

Mr. J. A. Tobin informed me yesterday that the viaduct would be fully completed by July 1st. Steel deck beams are now being installed on the job. Another contractor is also filling the approaches. Mr. Patti has his work under way, but to date no work is started on the farmers market on account of waiting for approval of change orders by P. W. A.

Our market will not look like a market until the large piles of earth are removed and it can be graded for paving. Mr. Schulz advises he can not grade the market site until the concrete for the basements are up to ground level and also advises that most of the dirt will be wasted over Jersey Creek. Bushman Construction Company have made surprising progress and within the next two weeks should have all piling in place, together with the large deck beams. They are now casting slabs for the side walls and roof and I am hopeful that that work will go rather fast. Counting on the continued progress by Bushman and Patti, I believe it would be possible to grade the site the latter part of this month.

Stewart Sand Company, which will do the filling of our team yard for Tobin, will have equipment on the job this

week and will then start operations. Minnesota Avenue will be fully completed this week. Our crossing across Minnesota Avenue will also be installed this week.

[fol. 323] Would be glad to have you talk this program over with Joe DeOreo and ascertain what he thinks of the idea. You may tell him I have a definite appointment with Chester Michaels for Wednesday of this week, that I have talked to him since he left for Denver and I believe Mr. Michaels will sign a declaration to Kansas City, Mo.

Mr. Weeks of the Weeks Construction Company advises that he can fully complete the farmers market between sixty and nfnety days after the change orders have been approved.

The city will approve plans and specifications for the cold storage unit tomorrow. Joseph Radotinsky will then take the plans to Ft. Worth for approval and the contract for that structure should be let this month.

The City Ice and Fuel Company has approved the plans and Specifications as provided by their lease agreement but in order to hold the cost within the estimate it was necessary to design four stories only. The original plan contemplated five stories. The machinery in the building will cost almost $200,000. The city will renew work on the parking lots this week. This will be done with W.P.A. labor and without any charge against the construction account.

Willard Breidenthal is in Washington, D. C. He has called me by phone twice and advised he checked up with P.W.A. in Washington about the project. He was informed that the advance grant would be released as soon as the change orders on the farmers market were worked out. You will recall that P.W.A. required a change on the roof plans only but in order to bring that project within the estimate it was necessary to do a lot of additional redesigning.

Walter Schuler remains on the job but there is a disposition on the part of Mr. Darby and, possibly, Mr. Blake to put Mr. McKinnell on the job. I am doing everything possible to thwart this plan without offending Mr. Darby or anyone else.

Attached you will find two clipping- about the apple crop around Troy, Kansas. The longest article appeared in this morning's Kansas edition of the Kansas City Times and the other one in the Missouri edition.

(Signed) G. E. Stanley.

[fol. 324] (Copy)

Kansas City, Mo.,
May 5, 1939.

Mr. J. L. Haugh:

For the last several days there has been considerable publicity about Judge McElroy's emergency fund which was taken out of bond proceeds. It seems that he took the records with him and I attach clipping from this morning's times, indicating that efforts will be made to obtain the records.

The records will disclose, in my opinion, that he paid expenses of people like Gratz, Boyle, Higgins and others. There was one article in the paper indicating that during the month of March he paid the expenses of Mr. Higgins, former Director of Police, while he was in Washington amounting to $2,800.

(Signed) G. E. Stanley.

(Ink note: Judge McElroy is now a patient at St. Luke's hospital.)

[fol. 325] (Copy)

Kansas City, Mo.
May 9, 1939.

Mr. J. L. Haugh:

Referring to attached bill from Connally letter Company for $4.00, which is for imprinting red on circulars, copy attached.

This is Jasper De Maria's idea of advertising the market and I believe it would be quite effective. It would be much more effective, however, a short time before the market is open but Mr. Ungerleider wanted to try it out at this time and I think it would be worthwhile.

(Signed) G. E. Stanley.

[fol. 326] (Copy)

Subject: Kansas City Food Terminal

Omaha—May 13, 1939.
No. A-701-1-260.

Mr. G. E. Stanley,
Kansas City, Missouri:

Referring to Mr. Haugh's letter May 12th, File 912, to me, copy to you:

Herewith UPRR Co. Voucher No. 784303 in your favor, amount $1,577.86, for expenses incurred in connection with Food Terminal, years 1937, 1938 and 1939.

H. A. Toland.

Encl.
CC: M. J. L. Haugh.

Union Pacific Railroad Company

Telegram

Denver, May 1, 1939.

GES, KansCy

Pls let me have copy of constitution, by-laws and regulations that you prepared for KC Food Terminal Market Assn., J-3

JLH

[fol. 327] (Copy)

Union Pacific Railroad Company

Telegram

Denver, May 13, 1939.

GES, KansCy
LHS, Oma.

Last Thursday, at Chgo., I talked with Mr. Irrgang and again told him that we were planning to build an auction house, but would not open it until we had word from the California Fruit Growers Exchange. I hope it will be possible to build this auction.

I notice from newspaper reports that the incinerator is to be restored. We need that much less than we do the auction house. Orig GES KansCy, CY LHS Oma. J-34.

JLH

[fol. 328] (Copy)

Kansas City, Mo.,
May 15, 1939.

Mr. J. L. Haugh:

Referring to your wire J-34 in which you state that you observed by newspaper accounts that the incinerator is to be restored in the Kansas City Food Terminal and also

making mention of your desire for an auction house to be constructed.

It seems to be the opinion of the trade at Kansas City that an auction house will not pay and I have been somewhat relieved by the general impression that it would not be built because they have stopped all questions about it as far as they trade is concerned. However, I feel about it as you do, that an auction house is desirable and should be built.

Both the auction house and incinerator were deferred. The city decided not to build the incinerator and passed a resolution to that effect. After the resolution reached PWA at Ft. Worth they advised that such matters should be handled by amended application and in order to prevent doing that the city rescinded its resolution providing it would not build the incinerator. The newspapers misconstrued the action of the city and printed the story that the city had decided to build the incinerator but that is not the case.

After the cold storage building is out of the way and the contract has been let for paving I have in mind that we should then definitely decide how much money should be spent for each of the auction house and the merchant's retail store buildings.

(Signed) G. E. Stanley.

[fol. 329] (Copy)

Kansas City, Missouri
May 15, 1939.

Mr. Stanley:

Rob't J. Clark, 4526 Roanoke Pkway., sales representative for Shefford Cheese Co., Green Bay, Wisconsin, called today. Telephone No. is We. 6454.

Wants space in "Allied Food Lines" unit as follows:

Sales floor only with one toilet; no mezzanine; no elevator; no stairs to basement; no basement.

Wants one side of sales floor made into cold storage unit approximately 65 ft. long, 10 ft. wide and 9 ft. high to be refrigerated at temperature 40 degrees. (dry) Wants to know if city will install refrigerating unit and base rental accordingly and if so what rental will be.

I will further talk with you at your convenience. I promised to write him next ten days so he could have something to submit to his firm.

J. W. Mueller 5/15/39.

[fol. 330] (Copy)

Kansas City, Mo.,
May 15, 1939.

(Pencil note: Mr. Jeffers, we will follow this closely. There will be a demand for location as close as possible to this new food terminal. JLH 5/16).

Mr. J. L. Haugh:

Attached is copy of letter from Mr. Mueller indicating the interest of one prospect in the food terminal. This is the kind of business I like to see centered on the market and we will give the matter close attention.

Today at noon I had lunch with Mr. E. W. Phelps, Manager of Swift and Company at Kansas City. He is very familiar with our market plan and advises me that the packers themselves would want to continue their own wholesale departments at the packing houses but that the market is a good place for wholesale meat dealers and jobbers to operate. He refers to such firms as Williams Meat Company, Levy Meat Company and Schneider Meat Company and we have been in touch with all of them. Two are definitely interested. Mr. Phelps formerly resided in Cleveland, Ohio, and is very familiar with the way the Northern Ohio Food Terminal worked out and said our market should be a big success at Kansas City.

(Signed) C. E. Stanley.

[fol. 331] (Copy)

At Denver
May 16, 1939

Mr. G. E. Stanley:

Have you considered the laying of black top paving in the market area and for the team tracks at Kansas City?

We are putting it in at Denver because the market at Denver is on filled ground, and the paving can be more easily repaired than concrete. The cost here is $1.15 per square yard. It has a sub-base of compacted gravel to a depth of 6", over which is laid 2½" of black top, a mixture of asphalt, oil and sand. After this is compacted, the total depth of the paving is 8".

(Signed) J. L. Haugh.

[fol. 332] (Copy)

Kansas City, Mo.,
May 17, 1939

Mr. J. L. Haugh:

Following our conversation over the telephone today I talked to Walter Schulz and Mr. Skinner about your suggestion to install macadam pavement in the market area. I did not have an opportunity to discuss the matter with the Board of City Commissioners which would have to pass on the question.

Mr. Schulz stated that he had installed macadam pavement in the Atlanta, Ga., market; that on account of the many turns and abuses the pavement was pitted and it was necessary to put in a concrete base with granite blocks on top. He said that concrete pavement was better now than it was at that time and he thinks it would be a mistake to put in a macadam pavement in this market. Mr. Schulz admits the cost would be much less.

No contract will be let for the paving for some time because the grading and paving will be let together and they can not cross section the land for grading until after the walls of the building are up and the back fills are made. I think this is something that we can talk about when you have time to get to Kansas City and if you are still of the opinion it should be macadam pavement we can discuss the matter with the City Board.

(Signed) G. E. Stanley.

[fol. 333] (Copy)

At Denver, May 18, 1939.

Mr. G. E. Stanley:

Your letter May 17th:

In all of the circumstances, I believe it best to go ahead with the concrete paving.

(Signed) J. L. Haugh.

[fol. 334] (Copy)

Telegram

110U 1939 May 26.

KC 26 1110A

JLH DE

Mr. Wellman in Kansas City today with City Board and architects about numerous changes in Food Market Build-

ings plans to effect saving in line with your understanding some time ago.

S 197 GES.

Telegram

Denver 26 1231P

WMJ OMA & OL

Mr. Stanley personally saw Dudley Brown of Brown & Loe Brokerage Co. yesterday. He requested office space in two-story building in New KC Food Terminal and has agreed to rent space at $1.10 per sq. ft. This is the man who, a few months ago, was dynamiting our project to the full extent of his ability.

All brokers are satisfied and in course of a few days they will rent considerable space on lease form approved by City.

Garrett-Holmes, jobbers, own building in KC. Mo. market area and have appointment with Mr. Stanley this afternoon to further negotiations for lease of two units in KC Food Terminal.

We have held off leasing office portion until jobbers were set in warehouse sections. It is now in shape to proceed with office leases and this will be progressed rapidly. J 8.

JLH.

[fol. 335] (Copy)

At Denver, May 27, 1939.

Mr. W. M. Jeffers:

The City of Kansas City, Kansas, has received bids for construction of cold storage plant at the Kansas City Food Terminal.

Based on these bids, the total estimated cost is $ 690,368, for a five-story building.

The amount allocated in the PWA grant was 659,739

an increase in cost over the allocation of 30,629.

The Federal Cold Storage Company, lessee, has agreed to pay an additional rental of $1,000 per year for the first five years; $1,500 next five years, and $2,241.92 for the last five years. The City has agreed to this, and contracts will be awarded on the above basis.

(Signed) J. L. Haugh.

[fol. 336] (Copy)

R-3296

Mr. J. L. Haugh: Omaha, May 27th, 1939.

In connection with the plans and specifications for building A B C & D, Wholesale Food Market and Terminal, Fairfax Industrial District, which were prepared by Messrs. Gentry, Voskamp and Neville:

I am suggesting that someone talk to Mr. Gentry and remind him that the Union Pacific Railroad Company employed him on this job, and that if it had not been for the U. P. R. R. Co. he would not have had any connection whatsoever with the Wholesale Food Market and Terminal.

It appears to me that Messrs. Gentry, Voskamp and Neville are endeavoring to make a monumental structure out of these buildings instead of giving whole-hearted cooperation to the ideas of economy in construction as recommended by the U. P. R. R. Co.

Furthermore, they have not made the distinction in construction between monumental type buildings and industrial type buildings. Their plans and specifications for these structures are entirely too elaborate for industrial type buildings and more consideration should be given to our recommendations.

At the present time they are inclined to persuade the Kansas City, Ks. Commissioners to their views concerning monumental type buildings and should approve them, disregarding the wishes and recommendations of the U. P. R. R. Co.

It should also be made clear to Messrs. Gentry, Voskamp and Neville that the U. P. R. R. Co. expect to construct many more projects in the Fairfax Industrial District, but if their services as architects are not satisfactory on this work on which they are now employed, they cannot reasonably expect further consideration on future work.

(Signed) W. T. Wellman.

cc—Mr. G. E. Stanley, Kansas City; Mr. B. H. Prater.

[fol. 337] (Copy)

Mr. G. E. Stanley: Omaha, May 28, 1939.

Am attaching Mr. Wellman's letter of the 27th about the alternates for the main buildings of the Kansas City Food Terminal.

Am disappointed that more savings were not made. Evidently, the architects were the ones who are arguing against the changes.

The deduction on account of an error in calculation in the original bid, under Item 1, should, by all means, be secured. The change order should not be approved until this item is accepted by Mr. Patti.

We should consider all of the items of cost of air-conditioning for the second floor of building "D" before agreeing to any alternates that would cover any part of this work. Items 4 and 10 in Mr. Wellman's statement are in connection with air-conditioning. We must figure the economics in the situation, and whether it is worthwhile to do it. Apparently, the cost will exceed $1.00 per square foot. You made a statement for me at one time. I suggest that you make another one and see if enough rentals can be secured to make it pay before any items of construction expense are approved.

I see no earthly reason for constructing steel stairs from the main floor to the mezzanine, and the last time I talked to the architects they were agreeable to making these wood stairs.

With regard to Item 20: We certainly should not retain any of the stone coping, sills and other unnecessary stone work in connection with these buildings. We must have in mind that these are warehouse buildings and not city auditoriums.

It is perfectly ridiculous to put toilets on the mezzanine floor. It will be obnoxious to the office arrangement, and takes up unnecessary room where room is needed. I wouldn't even confer with the tenants about this item. It should be eliminated now.

Am also attaching copy of letter of May 27 from Mr. Wellman to me, about the attitude of the architects, and I think Mr. Wellman's letter is well-merited.

(Signed) J. L. Haugh.

cc—Mr. W. T. Wellman.

[fol. 338] (Copy)

Union Pacific Railroad Company

Telegram

Washington, June 1, 1939.

Union Pacific Telegraph Office,
120 Broadway, New York City.

Orig. JLH Den Cy PR Oma. J-8. This is interesting and I agree with you that there is no place in our organization for this fellow. J-51.

W. M. Jeffers.

Western Union, Frank No. 16478.

Western Union Telegram

NA 1412 Oak—New York, N. Y. 31 1107P.

W. M. Jeffers:

UPRR Mayflower Hotel, Wash. D. C.

Yesterday Turney Gratz came to Mr. Stanley's office and later to his house applying for job. He offered complete capitulation if employed. He would turn over several leases from firms who heretofore were opposed to our Kansas City Market. He also told Mr. Stanley of financial support that be received from Judge McElroy AT&SF, KCS, U. S. Cold Storage Company and others. This is the man who made such a splurge in press reports at Washington, accusing UPRR of fraud.

For obvious reasons it would not be advisable for us to employ him. J8.

J. L. Haugh.

[fol. 339] (Copy)

Kansas City, Mo.,
June 1, 1939.

Mr. J. L. Haugh:

During the past several days I have heard favorable comments about Turney Gratz from people like Mr. Dudley Brown of Brown and Loe, Tom Sheehan of Garrett-Holmes, and others, Mr. Fryer with the P. F. E. has also advised me that Turney Gratz has a lot of friends in the trade.

Tuesday, Mr. Gratz called my home and later met me at the office, stating that he wanted to talk over a matter of importance about the market enterprise.

Mr. Gratz stated in substance that he had long been affiliated with the Pendergast political machine; that he had fought in the ranks and had been loyal to his organization; that he enjoyed the fight as long as he was working with fighters, but that the situation had changed in Kansas City and the town was not being somewhat directed by anti-organization forces and that they were shooting him in the back. Mr. Gratz then stated it was one of the most difficult things he had ever done but he was now coming to us to ask for a job and wanted to transfer his support from the Kansas City, Mo., market to the Kansas City, Kansas, project. He also agreed that the city could only support one market, that we needed a united force and he would be able to conclude leases with all that we had not previously obtained and further stated that with that kind of set-up we would have the finest market in the country.

After Mr. Gratz had laid the whole proposition before me and also gave me information about the financial support of Judge McElroy, the Santa Fe, Rock Island, Kansas City Southern and the U. S. Cold Storage Company, I stated to him that we did not consider personalities in business; that we fully agreed the city should have only one market and that we were bending all our efforts in that direction.

I specifically stated to Mr. Gratz that I could not and would not promise him any job; that I would report the full facts to you and he immediately sought an appointment with you, stating that he would go to Denver to see you. Mr. Gratz in substance stated to me that Judge McElroy had given him $21,000; that the Santa Fe had given him $600 and promised to give him $1,500 additional after he made two trips to Chicago; that the Rock Island had given him a small amount of money and promised to consider additional support but had never made any definite commitment in the same manner he claims the Santa Fe did; that the Kansas City Southern had given him either $1,000 or $2,000 and that he had also had substantial support from the U. S. Cold Storage Company. He stated that altogether he had spent $21,000 and that contradicted his statement that Judge McElroy had alone given him that amount of money, but he simply verified what we already knew about the contributors to the opposition fund. Mr. Gratz stated he had taken seven

people to Washington at one time; that he had the Kansas [fol. 340] City, Kansas, project stopped at one time and generally reviewed the market fight. He referred to your visit to Washington and wanted to know if you entertained any animosity toward him.

Mr. Gratz further stated that he was not asking us to pay him any amount as salary; that he wanted to get established in business without any political connections and was willing to take his chances on what he would be able to earn. I stated that it would be somewhat delicate for us to employ prominent opposition like himself; that we did not want any fight but intended to have a market and a good one and that we had never retaliated against him or any of our opponents in any way.

Mr. Gratz then took special pains to explain to me that the fight was not over yet; that Mr. W. N. Deramus, Executive Vice President of the Kansas City Southern, was considering a further contribution of $2,500; that some of the opposition wanted him to raise some additional money and prosecute the injunction suit on appeal. I asked him if Mr. Garrett had been paid for his services and he replied that he had turned over a good fee to Mr. Garrett. Mr. Gratz also claimed that without his leadership the market fight would entirely collapse. He claimed his association is still alive and unless he is connected with us that he has no other out than to continue his fight.

Mr. Gratz also stated that they had kept the Interstate Commerce Commission informed and that Mr. Bonneville would be in Kansas City some time next week to see him.

At the conclusion of the interview Mr. Gratz said he wanted to make a more definite suggestion to me and then proceeded to say that it would be best for us to employ him on the Denver project; that he would be very helpful in organizing and assisting the market and that it would be best for him to leave Kansas City for a month or more and then return to Kansas City to become identified with the New Kansas City Food Terminal.

I have written to you somewhat in detail about the conversation because a long and strenuous fight has been made by Mr. Gratz. I asked Mr. Gratz about his experience in business. He said he was formerly Manager of the Helium Company at a salary of $12,000 per year but that most of his work in Kansas City had been along the lines of forming

and managing improvement and trade associations. He is, as you know, quite capable and resourceful.

I omitted to state that Mr. Gratz admitted he had been on the city payroll. He referred to contributions received from a gambling club and the publication of that fact in the newspaper. Mr. Gratz stated he had worked out a parking lot deal for a gambling house and the monthly payments were for rental and nothing else.

Following our conversation over the telephone yesterday and in line with your agreement, I called Mr. Gratz and simply stated that I had talked [illegible] you; that you did not desire to give an appointment in Denver but that you stated you would see him when you came to Kansas City the first [fol. 341] of next week. Mr. Gratz wanted to know if you had expressed yourself adversely about him over the telephone and I replied that was not your habit and that he would have a hearing. He thanked me and said he would meet you here unless "I get tied up in the meantime."

It has been no small job to get the market project to its present stage. We should not overlook anything that would unite the factions and make a large centralized wholesale terminal. I think that the employment of Mr. Gratz by us has been encouraged by some of the people who have not signed leases. I am willing to do anything that is right to make the market what it should be, and if it were not for the odium attached to Mr. Gratz' name and his public opposition, I could see some benefit that we could get from and through him. However, we have not made any disastrous mistakes so far. I am sure that you will want to approach consideration of his application for employment with great caution.

(Signed) G. E. Stanley.

[fol. 342] (Copy)

At Denver, June 6, 1939.

Mr. W. M. Jeffers:

Attached are progress pictures taken May 26, of the four produce buildings at Kansas City Food Terminal. These produce buildings are lettered "A", "B", "C" and "D". Building "D" is the two-story building.

The progress of construction is not as rapid as it should be, and I am working now to get the contractor to double-shift. The City was slow in awarding the contract, because

of the long time required to get PWA approval of the plans and of the contract award.

(Signed) J. L. Haugh.

[fol. 343] (Copy)

Kansas City, Mo.
June 14, 1939.

Mr. J. L. Haugh:

When you were in Kansas City you will recall that Jack DeFeo wanted to change the ramp to and end dock on the north end of the building. He has been intensely interested about it ever since and discussed the matter for two or three hours with Mr. Fean the other morning. I had the architects draw up a plan, had it submitted to Jack and he made other changes. I also talked to the Mayor and Mr. Skinner about the matter, but at the City Board meeting today Mr. Darby and Mr. Blake declined to make the change and Mr. Patti, the general contractor, had to send 40 carpenters home today. They were working on that end of the building on the foundation forms.

You appreciate how important it is to take care of tenants and give them what they want and besides that Jack DeFeo is absolutely right about the necessity of this improvement.

G. E. Stanley.

[fol. 344] (Copy)

At Denver,
June 15, 1939.

Mr. G. E. Stanley:

When I was in Kansas City on the 8th, we talked about changing the end ramp to an end dock on the north end of the building to accommodate Jack DeFeo.

We have found it absolutely necessary to do this at Denver. We did not change the concrete walls—merely built a frame dock, and that can be done at less expense than the concrete ramps provided for in the present estimate.

I wish you would explain to the City Commissioners that I regard it as absolutely essential that the end dock be provided at this end, and on all of the ends. It can be done cheaply and without much, if any, addition to the cost.

In order to get this facility occupied it is necessary to make this change. The rentals are reasonably high on these facilities, and the city can well afford to fix them up properly to accommodate the needs of the tenants, and this is one of the great needs.

(Signed) J. L. Haugh.

[fol. 345] (Copy)

June 16, 1939.

Personal.

Mr. J. T. H. Armstrong, Pacific Fruit Express Co., Chicago, Ill.

Dear Mr. Armstrong:

Mr. Ray James, Division Manager of California Fruit Growers Exchange, advised me confidentially that Mr. Irrgang called him by telephone yesterday and inquired about the market fight and wants to know if the trade would actually go to the Union Pacific market.

Mr. James stated to him, entirely off the record, that he was advised there was good sentiment in the trade and he thought a majority of them would support the new market. Mr. James has been very cautious about taking sides in this market fight. He has been neutral and fair, but he knows the importance of the right kind of a market and is naturally interested from that standpoint.

Mr. Irrgang asked Mr. James particularly about an auction and wanted to know if he would agree to same. Mr. James cautiously stated that it was a matter that would have to be supported by the trade and the trade itself would have to determine the issue. Mr. Irrgang then stated he was going to come down and see Mr. James in the near future.

I want you to have this information and also want you to protect Mr. James and inasmuch as you, too, are a very good friend of Mr. Irrgang it might be you could develop further what he has in mind.

Yours very truly, G. E. Stanley.

CC—Mr. J. L. Haugh.

[fol. 346] (Copy)

Kansas City, Mo.,
June 17, 1939.

Mr. Stanley:

L called on the following regarding office space in broker's unit:

Martin Ungerleider. Favorable. Wants half unit on east side.

Cooksey-Graham & Co. Favorable. Can use half unit on east side.

Fruit Despatch Co. Mr. Coyle. Favorable if trade goes to new market. Can use whole unit on west side.

C. H. Gonder. Will follow trade. Half unit on east side will suffice.

Robt. G. McKee Co. Favorable. Will follow trade. Half unit on west side will suffice.

Grovier Starr Distg. Co. Mr. Grovier out of city. Mr. Partridge took information. Will follow trade and want whole unit on east side.

Inness Bros. Not favorable to market but friendly and will follow trade. Probably use whole unit on east side.

Western Union. Mr. Rudd wants half unit on west side not too close to *to* Postal.

C. H. Robinson. Mr. O'Brien favorable and will follow trade. Can use whole unit on east side.

(Signed) J. W. Mueller.

(In ink: Fine 6/17 G. E. S.)

[fol. 347] (Copy)

1939 Jun. 18

195 GN
KC 18 1035 P. M.

J. L. Haugh, Omaha:

Had fully one thousand farmers on new market site today together with practically all the produce dealers in KC. It was a fine meeting addressed by Mayor McCombs and several prominent growers. 2 more produce dealers announced that they would sign leases right away.

G. E. Stanley.

[fol. 348] (Copy)

Kansas City, Mo.,
June 19, 1939.

Mr. J. L. Haugh:

Attached are clippings referring to the farmers' meeting on the new market site yesterday. It was one of the largese meetings of local farmers that I have seen in Kansas City and was altogether successful.

The ladies of the Catholic Church of Shawnee and the Baptist Church of De Soto fried 400 chickens in the kitchen

at Fairfax Airport. These were transported to the site by truck. Other food and drinks were served. According to the paper plates consumed, 1,600 people ate on the site. It was a farmer crowd, including their families, and was interspersed with 10% or less of urbanites. The Veterans of Foreign Wars furnished the farmers without cost a crack band and put on a drill in the street. Rented tents were erected and 1,000 folding chairs used, so altogther it was quite an affair, lasting from 11:00 A. M. to almost sundown. The crowd was very orderly and interested.

Mayor McCombs and Mr. Skinner both spoke for the city. Herbert Drake of Vance, Kansas, who operates a 90 acre orchard, made an address that would be a credit to anyone. A. J. Weaver, of Falls City, Nebr., ex-governor, spoke as an apple grower. He discussed river navigation and other matters but altogether made and interesting and inspiring address. I spoke on behalf of the Union Pacific and explained some of the details of the market.

The Star estimated the crowd at 1,500 but during the day there were considerably more than that. In addition to the farmers representatives of practically every produce dealer in Kansas City were present and stayed most of the day. All of the stalls have been leased or applied for and no effort was made to lease any stalls yesterday. Most of the farmers present have already signed leased. It is especially noteworthy that the whole aggregation of Belgian farmers were present and they are the real gard-ners around Kansas City.

In contrast to the above I am reliably advised that the Chamber of Commerce, Kansas City, Mo., and the new City Manager asked the Kansas State Agricultural College at Manhattan to assign two farm experts to make a survey of the truck gardening situation around Kansas City. The Dean of the college has advised them that he would recommend two men who were entirely competent to make a survey but these men wound not be authorized to use the name of the college. The college has already indorsed our terminal.

Mayor Smith and City Manager Zachman asked Frank Larkin, a farmer of Courtney, Mo., up to their office. There were others present but I do not have information as to who they were. Mayor Smith alluded to the Kansas market and said they should talk as Missourians and asked Mr.

Larkin if he would get up a committee of farmers. Mr. Larkin has reported to Mr. Fean as follows:

[fol. 349] That his average gross income is about $40,000 to $50,000 per annum (he is credited with having about $200,000 in cash). He asked Mayor Smith what the salary would be and the Mayor replied, "$200.00 per month". Mr. Larkin said he might be interested if they would pay him $20,000 per year and let him tear down the market that has been built. Mr. Larkin said, "You asked me about the Kansas market and I am telling you that they owe you money for building the kind of a market that you built in the north end. It won't work and the Kansas market is being built the way we farmers like it.".

Mr. Larkin declined to assist. He has two stalls leased in our terminal (one in another man's name). Mr. Larkin farms 400 or 500 acres of bottom land. He is shipping at the rate of twenty carloads of cabbage at this time and will produce about 20,000 bushels of potatoes this year. He is also a large grower of tomatoes and other vegetables. Mr. Larkin farms some land owned by Alonzo Gentry and has been firm in the support of our project from the very beginning although, under threat of turning off his water, he did make a public announcement against us and was forced to send a wire to Secretary Ickes when our application for grant was pending.

So far as the farmers are concerned the market problem of Kansas City has been solved.

There was only one unfortunate incident that occurred yesterday and that is when they called on Walter Schultz and he stated the market would be finished by January 1st when the farmers are begging and pleading for a market by September 1st. That was cleared up somewhat and there is no reason why the farmers' market can not be ready by that time, even though it may be a mistake to open it in advance of the merchants' units.

The city commissioners meet every Wednesday on market matters and when you are here on that day I want you to attend the meeting. I have attended practically all of them during the past month.

(Signed) G. E. Stanley (B).

(Pencil note in margin next to fourth paragraph: can probably be completed Nov. 1. JLH 6/20.

[fol. 350] (Copy)

Union Pacific R. R. Co.

June 20, 1939.

Hon. H. L. Ickes, Administrator, Federal Emergency Administration of Public Works, Washington, D. C.

Dear Mr. Ickes:

The City of Kansas City, Kansas, has not yet received the money from the first requisition for deposit in construction fund of Kansas City Food Terminal, Docket Kansas No. 1356-F.

The Union Pacific Railroad purchased the revenue bonds from the city in sufficient amount to cover the city's participation, and that money was placed in the construction fund in December, 1938. Those bonds were purchased with the understanding that the PWA grant would be forthcoming.

All of the contracts and expenditures in connection with the project have been approved by the Regional Director of the PWA, and the construction work is in charge of an Engineer-Inspector of the PWA on the ground.

On account of the delay in depositing the money in the construction account from the time suggested and prescribed in the "Terms and Conditions", we are becoming very much concerned about it. The city's requisition was made in February of this year.

May I ask, please, when the money will be advanced?

With personal regard.

Yours very truly, (S.) J. L. Haugh.

cc—Mr. G. E. Stanley, Mr. W. R. Rouse.

[fol. 351] (Copy)

At Denver, June 22, 1939.

Mr. W. M. Jeffers:

Had meeting yesterday in the council chamber of Kansas City, Kansas, with the city commissioners, architects, engineers and contractors on the Kansas City Food Terminal, and two PWA supervisors, relating to progress of the terminal.

The work has been slow in getting started because of the time taken in awarding the general contracts and making

certain changes in the plans to decrease the cost. The PWA has approved the plans and contracts. Practically all contracts have been awarded now, and contractors are at work.

S. Patti has the general contract on the four large produce building-. He has the basement floor poured and the forms set for the walls and columns of one building, and next week will be ready to pour the walls, columns and first floor slab. He is pouring the basement floor slab in a second building and installing the basement floor plumbing in a third building. The work is so programmed that as rapidly as the concrete is poured on the first building the forms can be removed and set up on the second and so on until the four are completed. He will have all four buildings under roof in eight weeks; i.e., by August 19th. There is a great deal of interior work to do on the buildings, and that will take six to eight weeks longer.

The Interstate Construction Company has the contract on the cold storage building. That was just recently let. The contractor is now getting started. That building will take until about the first of November to complete. The refrigeration for the cold storage rooms in the four large buildings will be piped from the cold storage plant, so that the cold storage rooms in the large units cannot be used until the cold storage plant is completed.

The Bushman Construction Company has the contract on the enclosure of Jersey Creek. The piling is driven and the top slab poured. They are now setting the precast side slabs. They have had trouble and have been delayed because of the high water. Yesterday, when I was there, the river was at its highest stage on account of heavy rains. This work will be completed about Sept. 1, so that the enclosure can be covered with fill and the street work started.

The Weeks Construction Company have the contract for the farmers' market. The foundations are in and the steel is being fabricated. The farmers' stalls will be completed about Sept. 1.

The Tobin Construction Company have the contract for paving the entire area. They cannot start on their work until the buildings are far enough advanced so that the excavated work can be back-filled and the construction materials gotten out of the way. It will be about August 1, before they get under way.

[fol. 352] There is a total of about thirty acres of reinforced concrete paving to be done. It can be done rapidly

and completed by the time that the four large warehouse units are completed. The Tobin Construction Company have the contract for filling, installation of sewers and paving the Union Pacific team yard. They are now dredging the fill from the Missouri River onto a portion of the property inside the old dike. This portion of the fill is about 50% complete. They cannot start the fill between the old dike and the new dike until the new dike is built by the War Department under an appropriation available July 1, which is included in the bill passed by the Senate, yesterday, and sent to the White House for approval. Before starting the work, they require that all easement deeds for the entire four miles of dike be completed, recorded and filed with the War Department at Washington. This is in progress now. Mr. Bennewitz is meeting with Mr. Stanley today, and they will go to Bartlesville, Oklahoma, tomorrow to draft the contract with the Phillips Company.

The Union Pacific double-track lead is completed up to the Fairfax sewer. The bridge is being built across the Fairfax sewer. Tracks are laid in the new paving across Minnesota Avenue—all ready to enter the team track yard property as soon as the fill is completed.

The PWA has a small force, under the direction of Mr. Nauman, engineer-inspector, on the job all the time. Another engineer was there yesterday from Washington, checking on the progress of the work. This is one of their largest jobs, and they are giving close attention to it.

Mr. Tretone, engineer investigating the progress of the work, told me that everything was clear as far as PWA was concerned; that they have had approval of every step in the work; that it was necessary, however, for his report to be in Washington before release of the money from the PWA to the city. Requisition has been made for $950,000. There is still about $1,250,000 in construction account.

Minnesota Avenue viaduct, across the tracks approaching the food terminal, is progressing rapidly. All the steel is erected and the earth fill approaches have been completed. The paving of the viaduct is about 40% complete.

Altogether, the work is progressing favorably. I estimate it to be completed and ready for operation November 1.

(Signed) J. L. Haugh.

[fol. 353] (Copy)

Orig. 602-K-Kans City Star)

At Denver, June 24, 1939.

Mr. E. C. Schmidt:

On account of activity sponsored in the Chamber of Commerce of Kansas City, Missouri, directed against the Kansas City, Kansas, Food Terminal it is necessary to maintain as favorable a contact with the Kansas City Star as possible.

We have dispensed with the services of Mr. J. O. Young, whom we were paying $250 per month because we felt we could get better results using the same money for advertising.

The Kansas City Star has been as favorable as it could be in the circumstances, to our market, and I like to maintain this situation.

Mr. McCullom, Advertising Manager, and Mr. Roberts suggested that we run an ad showing Kansas City as a national market. Mr. Stanley got them to complete their suggestion in the draft of an ad, which they have done, and that is attached. Would like very much to run this ad in the near future. Will you kindly review it and let me have your ideas.

J. L. Haugh.

cc—Mr. G. E. Stanley.

[fol. 354] (Copy)

G. E. Stanley:

Supplemental to mine of June 17:

I called on the following regarding space in Brokers' unit:

A. R. T. Co.:

Mr. DeFeo says will probably have to go with trade but has peculiar tie-up with Mo. Pac. which will keep them in present quarters until absolutely necessary to move. They sub-lease from Mo. Pac. and are directly connected with Mo. Pac telephone and telegraph service. Can use whole unit.

Postal Telegraph:

Mr. Gall, District Superintendent, wants whole unit on west side. Asked for complete market lay-out to consider

wiring. I referred him to architects (Gentry, Voskamp, Neville).

Inness Bros.:

Second visit on request Mr Joe Inness. Now wants whole unit on west side.

Central Brokerage Co.:

Mr. O'Connell wants whole unit on west side.

Letha Coy:

Miss Coy operates cigar stand on ground floor of Produce Exchange and wants concession and similar space in our building, preferably on ground floor in lobby. Handled with architects (Gentry, VosKamp, Neville) and find two suitable locations in lobby of Unit "D", one to west of stairway just inside of sales platform 11' x 14' 9" and another to east of stairway just inside of car unloading platform 11' x 31'. The smaller space will make excellent tobacco and soft drink location and the larger space will make excellent location for light lunch counter. Both were submitted to Miss Coy for consideration. She is recommended by Mr. Fellhauer of the Packer and others and seems entirely competent as she has been in her present location five years and claims to have had restaurant experience with her mother in Marcelline, Mo., prior to that.

Schultz Brokerage Co.:

Mr. Sam Schultz was shown over the food terminal and Fairfax. Very favorably impressed and will follow trade. Can use whole unit on west side.

Standard Fruit & S. S. Co.:

Mr. Fulks, District Manager, on vacation for two or three weeks. Mr. Healer, clerk, said had talked about food terminal with Mr. Fulks. They will go with trade and can use whole unit on west side.

[fol. 355] Brown & Loe:

Mr. Dudley Brown still non-commital but not entirely unfriendly. After I left him he followed me across the

street to my car to hand me a copy of his letter to Mr. Garfitt which I marked to you.

Atlantic Commission Co.:

Mr. Lytton out of office. Mr. Zook thinks food terminal will be big success but will watch developments and follow trade. Can use whole unit on west side.

(Signed) J. W. Mueller.

[fol. 356] Kansas City, Mo.,
June 27, 1939.

Mr. J. L. Haugh:

Plat of the brokers' section in the Kansas City Food Terminal, which I previously forwarded to you, shows how 62 private offices could be provided with outside light plus reception rooms between the private office and the hallway. In addition to the 62 private offices, there is space for stairways, toilets, club room, barber shop and small restaurant room, the latter between the barber shop and club room.

Attached you will find report made by Mr. Mueller which indicates that 31 private offices could be leased to brokers. If the Union Pacific will take the space indicated in your letter to Mr. Williams, and all the leases embodied in Mr. Mueller's report could be consummated, then we would have a crowded second floor as there are only 37 private offices available to the trade, and that is exactly what we want. I am very anxious to see the Union Pacific take this space.

(Signed) G. E. Stanley.

(Pencil note: 31 does not include P. F. E. as necessary space for market master's office.)

[fol. 357] (Copy)

Union Pacific System

Telegram

Denver, June 28, 1939.

Henry N. Ess,
Kansas City, Mo.

T. W. Bockes, Omaha.
J. L. Haugh, Denver.

TWB is telephoning you regarding problem at KC. If city in Kansas can lawfully commit itself to railroad the

latter should be safe in advancing funds to city, and city will then have its own relation with its prospective tenants.

Some of the leading cases involving the Elkins Act are 241 Fed. 25, wherein court makes pronouncement QT The cases show that it is the law that any pecuniary inducement held out to a shipper to procure his business over a particular railroad is or may be a rebate or concession within the prohibition of the Elkins Act UNQT. See also 226 Fed. 713 and 226 U. S. 286 and 283 U. S. 511 and 1918 A 798 and 277 Pa. 235. Orig. H. N. Ess Cy. TWB. JLH. A365

ACSpencer.

[fol. 358] (Copy)

Union Pacific Railroad Company

Telegram

Translation

Kansas City, June 29, 1939. WMJ, Omaha & NY.

Kansas City, Mo., is putting lot of pressure on fruit and vegetable merchants in the old market area to make them sign leases on their new market, part of which is completed and part of which is still to be constructed. There are six of the larger jobbers who are now occupying city property. City threatens to summarily dispossess them unless they immediately sign five-year lease with provision that they will occupy the premises and use premises as their sole place of business in Greater Kansas City.

This campaign is led by the district market association which has been organized and incorporated for purpose of promoting interests of Kansas City, Mo. market. CB&Q and AT&SF are actively supporting this association. E. M. Dodds, President, U. S. Cold Storage Co., is president of that association. Hal Lebrecht, President, and Ray Edlund, Vice Pres. of Merchants Bank, are aiding materially. This bank was the one that did business of John Lazia while he was alive, and the officers testified in Lazia's behalf.

Situation seemed quite critical yesterday, but believe it is now fairly under control. Jobbers are arranging to secure other nearby quarters in stores that are now vacant. They will use these quarters until first large building of Kansas City, Kansas, Food Terminal is completed, which will be about Sept. 1st, and they can then move over to the new location.

Will be in Kansas City today and tomorrow, Denver Saturday, Omaha Sunday.

J. L. Haugh.

J-81.
cc Guy E. Stanley.

[fol. 359] (Copy)

Union Pacific Railroad Company

Telegram

Translation

Kansas City, June 30, 1939.
WMJ Oma & OL

Continuing my J-81.

District Market Assn. had meeting yesterday with jobbers which was well attended. Hal Lebrecht presided. Jobbers were urged to take leases on new Missouri market. About ten jobbers indicated eagerness to take one prominent corner unit. This was done in order to stall matter off. Then jobbers were asked to indicate without commitment which units they wanted. All of the units were thus allotted, but there was no cimmitment on part of any of the jobbers, all of whom remained firm to their lease on Kansas Market.

We had previously held up execution by Kansas City, Kansas of lease which had been signed by jobbers. We are today, however, having them execute and copies delivered to each jobber tenant. We are also proceeding immediately to organize jobbers into a Market Assn. on which will be representatives of farmer and broker. Articles of incorporation will be filed and board of directors appointed immediately. As soon as incorporation is complete the board will meet and elect officers and executive committee. This will give us firm organization through which to work with jobbers.

Also we are developing information on store in old market district that can be leased temporarily by jobbers for sixty to ninety days which will take care of them then dispossessed of city owned stores until a new building is completed in Kansas City, Kansas Food Terminal. J-83. Jt. WMJ Omaha & OL.

J. L. Haugh.

[fol. 360] (Copy)

Union Pacific Railroad Company

Telegram

Kansas City, Mo.,
June 30, 1939.

W. T. Price-Denver

About 1 million face brick required for K. C. Food Terminal starting immediately to be delivered in 30 days. Would Jamison be interested at same price he is furnishing to Kirchoff and could he furnish. J-83.

JLH.

[fol. 361] (Copy)

Union Pacific Railroad Company

Telegram

Denver 435 PM June 30 1939.

JLH Car—102 Train 21 Term Jct

J-83 Jenkinson, Denver pressed brick, will furnish for same prices. However cannot furnish entire quantity in 30 days. Estimates can deliver two hundred thousand by July 15 three hundred thousand by August 1 and balance half million before end of August. A-47

WTP.

701 PM

[fol. 362] Plaintiff's Exhibit No. 11

President's File No. 912

Volume 10

[fol. 363] (Copy)

At Denver, July 1, 1939.

Mr. W. M. Jeffers:

Attached is a statement of expenses incurred by Mr. William Fean, in connection with Farmers' meeting at Kansas City Food Terminal on Sunday, June 18.

This was a picnic-meeting at which 2,905 people were served. Ladies of two churches—one a Catholic Church and the other a Baptist Church did the serving. The picnic was

held on the parking lot adjoining the site of the farmers' market in the Kansas City Food Terminal. Governor Ratner, Mayor McCombs and other public officers were there.

Following this meeting, the farmers incorporated into an association, elected directors and officers.

All of the 424 farmers' stalls being built in the new food terminal have been leased.

Mr. Fean has been devoting his entire time to work with the farmers for a period of 2½ years. For the first two years, he received no compensation. The last six months, the Land Company has been paying him $350. per month for services rendered. The City has no way of paying these expenses out of its general fund. It does not have sufficient income in its present fund. Mr. Stanley has a- understanding with Mayor McCombs that if the Land Company will advance this money, the City will reimburse the Land Company when the food terminal is completed and in operation out of operating revenues of the terminal. With the leases already made, there will be sufficient revenues to cover. These expenses must be paid.

I recommend that the Land Company advance the amount of $1,540.15 to reimburse Mr. Fean.

(Signed) J. L. Haugh.

[fol. 364] (Copy)

Re: Organization of "Heart of America Growers Association"

Omaha, July 11, 1939.

Mr. J. L. Haugh:

I am sure the minutes of meeting of June 25, 1939, signed by Mr. Jerry Snodgross, Secretary, do not operate as a substantial compliance with the laws of Kansas looking to a legal corporate organization. Your letter of the 8th recognizes this to be the fact.

We assume you are anxious to have this matter followed up, and I am sure, as suggested in my letter of July 6th to Mr. Jeffers, that Mr. Lillard's organization will be glad to cooperate.

(Signed) A. C. Spencer.

cc—Mr. W. M. Jeffers. Mr. T. M. Lillard.

[fol. 365] At Denver, July 14, 1939.

Mr. W. K. Jeffers:

Our activities on the Kansas City Food Terminal have helped our business at Kansas City. We have endeavored in every particular to handle the matter so that it would build prestige continually and not lose any business.

I have examined statements for each of the jobbers and brokers and find almost universally that we have fared better this year even with those who have not yet signed up with us on the new food terminal. The total this year compared with last year is as follows:

	This Year	Last Year
January	284	223
February	213	136
March	231	157
April	244	193
May	265	198
Total	1,237	907

(S.) J. L. Haugh.

cc—Mr. N. A. Williams, Mr. F. W. Robinson.

[fol. 366] (Copy)

At Denver, July 20, 1939,
912.

Mr. W. M. Jeffers:

Mr. Stanley and I met with the Board of City Commissioners of Kansas City, Kansas, on Tuesday, July 18, in the council chamber. Mayor McCombs and Commissioner Blake were present. Commissioner Darby was absent.

Mr. Herman Traber, Executive Agent of the Missouri Pacific and Donald Corson, Attorney for the Mo. Pac. were present.

The Missouri Pacific representatives presented a resolution to the Board of City Commissioners which they requested passed. This resolution was to the effect that the city had no objection to the Union Pacific and Missouri

Pacific working out any interchanged and any connecting track that they desired, to serve the new Food Terminal Market.

I opposed the introduction of the resolution, stating that the Missouri Pacific had not yet signed the supplemental agreement that had been sent to them and the Union Pacific, providing for change of the joint trackage on the southerly portion of the Food Terminal property in order to make a Food Terminal feasible; that the Union Pacific had advised that it would sign this, and that before the Missouri Pacific received further consideration from the Board of City Commissioners, they should execute this contract. I further stated that it was not necessary for the city to approve a blanket authority for the two railroads to do as they wished in the construction of trackage and interchange on city's property. Attorney Carson said that neither of the subjects were germain to the resolution and that the purpose of the resolution was to clarify the matter in the minds of the PWA so that that body could require the Union Pacific to negotiate with the Missouri Pacific for interchange.

After considerable discussion, most of which was irrelevant, the commissioners deferred action on the resolution until such time as Mr. Darby returns so that they would have all three commissioners present.

[fol. 367] I then suggested that the city send to the PWA the letter that I directed to the Board of City Commissioners about the interchange matter on June 21. The purpose of this letter was to clarify in the mind of the general counsel of the PWA certain misunderstandings that he had received from a meeting in his office with the general attorney of the Missouri Pacific, In March.

The Missouri Pacific's position is not at all clear. I believe it is seeking some way to secure joint use of the team track yard at the food terminal.

I informed the Board of City Commissioners that I wished to attend the meeting at which the Missouri Pacific resolution was again to be considered, and they agreed to arrange accordingly.

(Signed) J. L. Haugh.

cc—Mr. T. W. Bockes, Mr. G. E. Stanley.

[fol. 368] (Copy)

Kansas City, Mo.,
July 25, 1939.

Mr. J. L. Haugh:

Attached is a bill from Moseley & Company for $150. Mr. Moseley first thought that they should charge $500, then cut the bill to $250 and I finally said I would recommend $150. This plenty high but, at the same time, they spent about three days on the matter and showed a willingness to serve us quickly, although we did not avail ourselves of any of the propositions obtained by Moseley & Company for leasing empty store buildings near the old city market.

(Signed) G. E. Stanley.

[fol. 369] Fruits & Vegetables Received and Unloaded—(Pencil) First 6 Mos. 1938 & 1939

(Pencil Note: J. L. H. Prepared by Mr. Mindemann today—7/29 G.E.S.)	Jan.		Feb.		Mar.		Apr.		May		Jun.		Total		
	39	38	39	38	39	38	39	38	39	38	39	38	39	38	
West End 3d St.															
Clancy & Roy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ferranti J. F. (almost unknown)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Gordon, L. (small merchant)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
K. C. Fruit Company	9	0	4	0	7	1	2	2	0	0	0	0	22	3	
Lorber, Henry	7	4	2	1	3	3	8	3	11	6	8	3	39	20	
Palermo, Charles & Son	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Passiglia Produce Co.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Pisciotta Produce Co.	1	0	0	0	1	1	3	2	0	0	0	0	5	3	
Rosenzweig, Paul	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Sarser Produce Company	1	3	0	0	0	1	2	2	0	2	3	1	6	9	
Siegal, A. H.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(Pencil Note)
Main—North end of 3rd St.															Bldgs. Constructed
Adelman, Louis (bag and twine)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Black & Froman	0	0	0	1	0	0	0	1	1	0	0	0	1	2	
Dalen Produce Co.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
K. C. Tomatoe Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Garrett & Holmes	11	12	3	7	2	13	6	8	12	12	15	11	49	63	
Maurer Fruit & Vegt. Co.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Main Bldgs. (Not built. No bids been let to date for Construction)															
De Feo Fruit Company	1	1	3	1	8	4	10	4	5	2	3	6	30	18	
Fishman, H.	1	1	1	0	0	0	2	0	0	0	1	0	5	1	
Frayling Produce Co.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Janssen, N. B.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Mills Produce Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Future Construction
Polito, J.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Reich & Sons	17	20	19	6	11	4	16	16	19	23	14	4	96	73	
Singer & Sons Prod. Co.	4	5	3	2	0	0	6	14	8	6	15	10	36	37	
Sterling Produce Co.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Siegler & Company	1	1	1	2	1	2	2	5	1	2	2	5	8	17	
	53	47	36	20	33	29	57	57	57	55	53	40	297	246	

[fol. 370] (Copy)

Kansas City, Mo.,
July 29, 1939.

Mr. J. L. Haugh:

Referring to attached article from the Kansas City Star dated July 27th, about leasing the new City Market, Kansas City, Mo.

I have made a careful analysis of the reported lessees. Units 5 to 25, odd numbers only, run on 3rd street from Third and Main Streets to Third and Walnut Streets, so that Unit No. 5 is the one leased to the Kansas City Fruit Company and Unit No. 25 has been leased to Henry Lorber and Company. Each pruported lessee is referred to as follows:

Unit No. 5, Kansas City Fruit Company. This is a small firm operated by the Harris family. Mr. Mueller took Arthur Harris over to the food terminal. Jasper DeMarea has talked to him and I have been advised that everything has been done that is possible. They bank with the Merchants Bank and, of course, have been influenced by Mr. Lebrecht as it is reported they live from hand to mouth and are in poor financial condition. It is a small firm and they put them in next to the worst unit in the whole market.

Unit No. 7, J. F. Ferranti. This man has a small place of business next to the present location of Henry Lorber and Company. He is a very small merchant and we have no record of any car shipments with him.

Unit No. 9, Sarser Produce Company. This is an old firm and formerly consisted of Ike Sarser and his brother, Willie Sarser. The latter died about a year ago. Ike Sarser came to my office a few days ago and advised that his sister-in-law, the widow of Willie Sarser, had signed a lease under the mistaken idea that the unit would be worth some money. Ike Sarser stated to me time after time that under no circumstances would he sign a lease. Jasper DeMarea, who is dependable and who knows these people, just informed me that he is reliably advised that Ike Sarser, himself, joined his sister-in-law in the lease.

Unit No. 11, L. Gordon and Son Produce Company. This man has a place of business immediately adjoining Ike Sarser's present place of business. He is a small dealer

and does not receive carloads. Mr. Gordon is reported to be a good small merchant and would be desirable in our market.

Unit No. 13, Paul Rosenzweig. His present place of business is in the front end of a pool room and barber shop and all he has is side walk space. This man was probably influenced by Hal Lebrecht.

Unit No. 15. Albert Passiglia Produce Company. This firm was formerly in space that was torn down to build the unit on Third Street and moved to a temporary location on the north side of Thirt Street. He is a small wholesale dealer and is not a carload receiver.

[fol. 371] Unit No. 17, A. H. Siegel. This is an employe of P. Schultz and Son. The latter is considering signing a lease in our market and finally consented to his employe signing the lease and he expects to use the unit temporarily. Mr. Schultz used extraordinary caution not to get tied up. Mr. Siegel, himself, told Mr. Fean yesterday morning that, "just as soon as the Kansas market is finished, we will run out of here so fast it will take a twenty horsepower engine to stop us."

Unit No. 19, Clancy and Roy Fruit and Vegetable Company. This firm is now located on the north side of Third Street and was formerly located in the old city Market at Fifth and Walnut Streets which was torn down about two years ago. Mr. Roy told Jasper DeMarea he would like to have a unit in our market but he does most of his business with trucks and he thinks the Missouri market will be a truck market. This is a small firm that occasionally buys a carload of potatoes on the track in Kansas City.

Unit No. 21, Charles Palermo and Son. This is also a small firm and a good friend of Jasper DeMarea. Don Palermo, the son in the firm, has signed a lease in our terminal and expects to move.

Unit No. 23, Pisciotta Fruit and Vegetable Company. This is Phil Pisciotta who has an office adjoining the Merchants Bank on Walnut Street. He states his principal business is to supply the hotel and restaurant trade in downtown Kansas City. Mr. Pisciotta told Jasper DeMarea that he had to sign a lease in order to protect himself, but Jasper thinks there is no question about this man moving to our terminal. He is a good merchant, financially and otherwise.

Unit No. 25, Henry Lorber and Company. This is the best unit in the whole terminal and some resent the fact that this firm was given preference.

To summarize on the above units leased on Third Street, your attention is called to the fact that the present places of business of the Kansas City Fruit Company, J. F. Ferranti, Sarser Produce Company, L. Gordon and Son Produce Company, A. H. Siegel and Henry Lorber and Company will be torn down beginning next Wednesday, August 2nd.

We have signed leases from the following merchants listed above, namely:

Sarser Produce Company; L. Gordon and Son Produce Company; Don Palermo, son in the firm of Charles Palermo and Son; Phil Pisciotta.

[fol. 372] Referring now to the six units completed on Main Street, being odd numbers running from south to north and including Numbers 305 to 315:

Unit No. 305, Louis Adelman. He is a bag and twine man and very small. He has never received a carload of merchandise and banks at the Merchants Bank. His son, Paul Adelman, is working with Mr. Fean. Mr. Fean talked to Louis Adelman personally and said Mr. Adelman told him they were going to tear his place down and they had deliberately forced him to sign a lease. He is still anxious to go to our market and has signed a lease. As a matter of fact he has taken the poorest unit in the Kansas City, Mo., market and we have been conscious of the fact that it will be necessary to split his unit in our market with someone else. We will have no trouble in moving Mr. Adelman when we want him.

Unit No. 307, Kansas City Tomato Company. This is also a very small firm and we have paid practically no attention to them at all.

Unit No. 309, Dalen Produce Company. The senior member of this firm died about four years ago and the business is run by Mr. Dalen's widow. It is a small business and we would be indifferent about getting this firm in our market.

Unit No. 311, Maurer Fruit and Vegetable Company. This is an out and out trucker and nothing else and we would not sell him a lease if he wanted one.

Unit No. 313, Black and Froman. This is a good firm which grows and markets potatoes, cabbage, turnips and

apples. Mr. Froman is a good friend of Jasper DeMarea and paid $18,000 for a vacant lot adjoining Jasper's old place of business. He later improved a part of the lot and leased it to L. S. Taube, also a potato man. Mr. Froman told Jasper yesterday that he probably made a mistake in signing this lease but it had been represented to him that Third Street east of Walnut Street would be widened and his present place of business torn down. Jasper thinks we will have no trouble with these people at a later date and he has already arranged with Jasper to go over to our terminal next week to look things over.

Unit No. 315, Garrett-Holmes and Company. This is at the south end of the buildings constructed on Main Street. Garrett-Holmes is a good firm and is the best of any of the above mentioned merchants. We have spent a great deal of time with this firm and just last week they wanted us to give them three units on a corner facing on Minnesota Avenue. We did not have three units on the corner and tried to interest them in some center units without success. We think that we will eventually get this firm and they are not unfriendly to our market. However, this firm has a lease on its present place of business on Grand Avenue and also a warehouse and it would take about $6,000 or $7,000 to pay the lease out.

[fol. 373] Louis Adelman is the only lessee in our terminal listed among the merchants to occupy buildings constructed along Main St.

The merchants listed under Units 401 to 421, odd numbers only, extend from north to south from Fourth Street to Fifth Street on the east side of Main Street. None of these buildings have been constructed, and according to the newspaper article attached, bids will be received in about two weeks. There is some doubt as to whether they have the money, but the site itself is quite level and would be the most suitable of any space in the whole section of the market. I report on these as follows:

Unit No. 401, Singer and Sons Produce Company. This, as you know, is an old established firm with extensive ownership in the north end and Mr. Singer has better reason to oppose the moving of the market than anyone else in Kansas City, Mo. One of his top men has talked to Mr. Fean about leaving Mr. Singer and leasing a unit in our terminal. Mr. Singer is quite old and his son is not a good produce man.

This firm is more interested in the wholesale liquor business than the wholesale produce business.

Unit No. 403, A. Reich and Sons. You will understand the support of this firm for the Kansas City, Mo., market.

Unit No. 405, Ziegler and Company, which is a reasonably good firm. Mr. Zeigler signed a lease with us on which he noted that he had the right to change his mind at any time. He talked to me on last Wednesday and stated at that time that he was considerably worried and wanted to know if we would protect him on the lease in one of the buildings on Minnesota Avenue. I told him we could not do so longer than the early part of next week. Mr. Ziegler is a good personal friend of Mr. C. P. Cahill.

Unit No. 407, Defeo Fruit Company. This firm is composed of Jack, Harry and Charley Defeo. Their mother also has an interest in the business and what one does is the same as if every one of them signed a lease. Jack Defeo claims his brother Charley signed the lease; that it means nothing. This firm banks with Hal Lebrecht and the latter has put a lot pressure on them. I realize they have a lot of accounts outstanding and it is very important for them to maintain their business on the present market until the buildings are finished on the Kansas side. However, this is the bitterest disappointment in the whole transaction, but it would do no good to resent or complain about the support they have given the Kansas City, Mo., market in signing the lease.

Unit No. 409, Mills Produce Company. This is a small firm and one of our bitterest opponents without any reason therefor. He made a trip to inspect the eastern terminals and has consistently opposed our market. Mr. Mills does not know it, but Carl Caruso, who practically runs what business he has, has already signed a lease in our terminal [fol. 374] and will start in business as soon as it is finished.

Unit No. 411, Henry Fishman and Company. His present place of business will be torn down next week. Mr. Fishman has been in business many years, but is a small merchant. At his solicitation, I secured a job for his brother with the Patti Construction Company and we have devoted a lot of time to him. It is well known that Mr. Fishman is not dependable and flops from one side to the other. It all depends on who last talked to him and I really think that when he sees what we have that it

will not be necessary for him to take the word of anybody and, like many others, he will be chasing us. Mr. Fishman signed for a unit in the Kansas City Food Terminal.

Unit No. 413, Palermo Produce Company. This firm is related to Charles Palermo and Son and, at present, is located on city property, rent free. We have no lease signed by this firm. Jasper DeMarea informs me that this Mr. Palermo is not opposed to our market in any way and talks favorably about us. Jasper thinks he will sign a lease after we make a little more headway.

Unit No. 415, Frayling Produce Company. This is a very small firm. Mr. Frayling personally told me he could not sign a lease in our market, but he was for us anyway. I attach no importance to his lease with Kansas City, Mo.

Unit No. 417, N. B. Janssen. Mr. Janssen was formerly a partner of Jasper DeMarea in the firm of DeMarea and Janssen. Mr. Janssen personally called at the office and told me he had applied for and would take a lease in the new market in Kansas City, Mo. He stated that his firm had paid $20,000 for an old lease and it was still carried on the books for $20,000; that he did not want to charge the lease off and, consequently, wanted to get a lease in order to maintain that book account. Jasper told me the old lease is carried on the books at $10,500. Mr. Janssen was very specific that under no circumstances would he again engage in the produce business. He is now engaged exclusively in the bottling business. I personally believe there is no importance that can be attached to this lease.

Unit No. 419, Joe Polito. This is a small but good merchant. He never signed a lease in our market, but has talked very friendly about doing so. At the present time, Mr. Polito is occupying city property and doubtless signed this lease for temporary preservation.

Unit No. 421, Sterling Produce Company. This business is operated by Theodore Polito, a brother of Joe Polito. These people are not opposed to our market in any way and [fol. 375] are just simply waiting to see what will happen.

The merchants assigned to the buildings not constructed are the best of the group and you can readily see they purposely selected building not constructed in order to evade the issue. They also have a feeling that the city does not have the money to build the additional buildings.

It is worthy of note that the best merchants in Kansas City are not included in the above list and now occupy private property on the east side of Walnut Street. I mean such firms as Mallin Produce Company, Sam Litman, L. Yukon and Son, W. F. Helm, A. Robinson and Sons, A. Feinberg, Winnich Brothers, Quality Banana Company, D'Angelo Celery House, Cherrito Celery House, National Produce Company, and others who have signed leases in the Kansas City Food Terminal. We must take into account that the merchants occupying city property are at the mercy of the city officials and the pressure that has been brought by the Market Master, Hal Lebrecht, Ray Edlund, E. M. Dodds, L. Singer and an insurance man by the name of Jesse Holler. The latter is Secretary of the Kansas City Market District Association and is a successor of Turney Gratz. For your more complete information I have asked Mr. Weedin and Mr. Mindemann to run over our shipments and advise Mr. Mitchell by letter, with copy to you, and set out the number of cars that we have received from the purported lessees in the new City Market, Kansas City, Mo., and you can thereby judge the caliber of the merchants they have leased space to.

Yesterday afternoon I was over on our project and met, for the first time, Joseph Spoor, the new Market Master of Kansas City, Mo. He looked over the entire project for the first time and said he was astounded with what we were doing. He was in company with Jack Defeo and Jack was trying to impress him with our market. Mr. Spoor told me that they had leased the market and, of course, were doing everything they could to hold the business in Kansas City, Mo. He mentioned the fact that they would open their new market on Tuesday, or some time next week. Mr. Spoor said they would have no formal opening because their market was very small compared with ours and he did not care to call attention to any comparison. Mr. Spoor was formerly a Grain Inspector for the Missouri Grain Inspection Department. He is a man about 40 years of age and looks like a straight out and out politician.

G. E. Stanley.

P. S. I read a copy of the lease signed by merchants for the new City Market. It is simply a straight five year lease and does not limit the use or purpose of the building or

describe the business for which it is to be leased. There is no prohibition against the conduct of business elsewhere in Greater Kansas City. It is a printed form prepared by the City Legal Department.

G. E. S.

[fol. 376] (Copy)

Kansas City, July 29, 1939.
B-2404-1501-2

Mr. R. R. Mitchell:

Attached is an article which appeared in the Kansas City Star, July 27th, about leasing the new Kansas City Missouri Market.

I have prepared and attach a copy of report showing our takings by months for the firms reported as having signed leased.

A thumb-nail sketch of these operators might be of interest:

K. C. Fruit Co. Small firm poor financial status.

J. F. Ferranti. Small merchant. No carloads.

Sarser Prod. Co. Old firm. Widow of Mr. Willie Sarser signed the lease with erroneous idea lease would be worth some money.

L. Gordon & Son. Small dealer. No carloads.

Paul Rosenzweig—Has only side walk space.

Passiglia Prod.—Small dealer. No carloads.

A. H. Seigel. Mr. Siegel expects to take space — our market when ready.

Clancy & Roy. Does most his business with trucks. Buys an occasional car on track Kansas City.

Chas. Palermo. No carload business.

Pisciotta F. & V. Co. Good merchant. Principal business supplying downtown KC eating houses. Will probably lease with us later.

Lorber Co. Good operator whose word is good for naught. He assured everyone he would go along with us and signed up with the other fellow.

Louis Adelman. Bag & twine merchant. No carloads.

K. C. Tomato Co. Small outfit. No cars.

Dalen Prod. Co. Small and undesirable operator.

Maurer Fruit Co. Small merchant. No cars.

[fol. 377] Black & Froman. Good outfit who were induced to sign up thru a misunderstanding.

Garrett & Holmes. Very fine firm. Understand from Mr.

Stanley they could not secure the space they desired in our market. It is felt we will eventually induce this firm to come to our market.

Singer & Sons. One of the oldest operators here, I am told. They have been bitter toward our market all along. I see Mr. Singer regularly, and while he gives us business, he tells me he takes away every car he can. I doubt this very much.

A. Reich & Son. Operates differently than most dealers. Has telephone operators contact the grocers and then delivers. Believe he will later take space in our market.

Ziegler Co. Understand this company signed a conditional lease in our market.

DeFeo Fruit Co. This company represents itself as being very friendly to our market, and from what Jack DeFeo tells me, he will be in our market. In fact, he has signed a lease, and yesterday had the new market master of the K. C. Mo. Market in K. C. K. looking over our layout—A Mr. Spoor whom I met. Former Grain Inspector.

Mills Produce Co. Small operator. Been against our market all along but never had enough character to admit it.

Henry Fishman. Small merchant.

Palermo Prod. Co. Small operator.

Frayling Prod. Co. Small operator. Doubt if he has $50 worth of produce in his establishment right now.

N. B. Janssen. In bottling business. Small merchant.

Joe Polito. Small but good operator. On City property now.

Sterling Prod. Co. Mr. Stanley advised me these people are not opposed to our market but are marking time.

What the news article does not say is more important, as far as the Union Pacific is concerned than what it did say. And that is, the better type of merchants who occupy private property in Kansas City, Mo. are not included in the names shown as having signed leases.

[fol. 378] I refer to such firm- as: Cherrito Celery House, D'Angelo Celery House, Feinberg, Helm, Littman, Mallin, Nat'l Prod., Quality Bannana, Robinson, Winnick, Yukon.

Naturally, those located on city property were subjected to pressure by the Market Master.

Mr. Stanley advised Mr. Haugh that he had examined a copy of lease signed by merchants for the new market—that it was a straight five year lease, not limiting use or purpose of the building, with no barrier to conducting business else-

where in Greater Kansas City. It was formerly generally understood there was to be a clause in the lease barring them from conducting business elsewhere in the Greater Kansas City area.

C. C. Weedin.

CC Mr. J. L. Haugh,
CC Mr. Guy Stanley.

[fol. 379] (Copy)

Kansas City, August 5, 1939.
B-2404-1501-2

Mr. G. E. Stanley:

Referring to the suggestion made yesterday in your office in Mr. Haugh's presence that I act as a Railroad Expeditor for materials coming into the Food Terminal.

Mr. Galvin and I got into this subject this morning with Mr. Nauman.

As you know, there has been a lack of co-ordinated procedure in the rolling of this material. It was suggested Mr. Nauman get the engineers together first thing Monday morning and have them draw up a schedule for shipping, as the materials will come along. Mr. Galvin and I have an appointment with him for luncheon Monday noon to follow further the developments of his conference with the engineers.

Incidentally, he suggested I get after the door manufacturer, also the door trim material which will come out of St. Louis. Also decking from Detroit. I 'phoned St. Louis and wired Detroit.

Once this subject is organized as it should be, we will be of material assistance to the contractors and sub-contractors, and Galvin will then know who is who and just where to spot cars for prompt and convenient unloading.

K. T. Mindemann.

CC Mr. J. L. Haugh.

[fol. 380] (Copy)

Kansas City, Mo.,
August 7, 1939.

(Pencil Nota.: Mr. Jeffers JLH 8/10 noted WMJ)

Mr. J. L. Haugh:

At 4:00 A. M. this morning I accompanied Jasper DeMaria and Bill Fean to the city market. There were about

300 farmers on the market. The Market Master told me there were not as many as usual. I am advised that in the heavy growing season the average has been 380 farmers per day.

The old market area was well crowded. There were not many buyers on the market but the trucking from the market was quite noticeable. They have a system of paying porters or carriers 25¢ per load and there were a lot of wheel barrows moving through the crowds to grocers' trucks.

Since the new market section was opened they force the grocers to park on widened Third Street and west so that they would naturally walk down through the new market section. However, most of the grocers enter the market by coming down through the center of Third Street and Fourth Street from the west and the old merchants on Walnut Street in the vicinity of Litman, Mallin, Winnick Brothers, Yukon, Helm and Robinson do the business. The stalls in the old city market, between Fourth Street and Fifth Street and on the west side of Walnut Street, are also quite active. This is where Ziegler, Singer, Garrett-Holmes and Kansas City Fruit Company have their places of business.

Garrett-Holmes conduct their place on Walnut Street, but also opened their new place at Fourth and Main Street. I walked around the new section including eighteen stalls. All of them were occupied except about three or four. It was about 5:00 o'clock in the morning when they should be the busiest with the grocers. I actually saw two buyers in the old area. Tom Seahan, with Garrett-Holmes, told me he talked to one buyer only and did not sell anything all morning. Ike Sarser had no business and Eddie Lorber's store was absolutely bare of any business. The latter condemned the market and business, including any prospect of ever establishing any market in Greater Kansas City. He showed me his place of business and complained about stairways and everything else. The ceiling in his store is 23 feet in the clear and it takes 15 steps to reach the mezzanine. He does not have a basement or any circular stair. He told me he had never been on the second floor of his building.

I asked all of them if they were using the basement and there was not a single merchant who has merchandise in his basement. It is generally reported around the market

that the basements are poorly vented and filled with dead air.

While on the market this morning, I talked to practically every merchant in business and comments regarding our market were very gratifying. They are all familiar with that is going on and almost without exception they gave [fol. 381] voluntary information detrimental to the Missouri market. Henry Baum said he thought our market would be the biggest and best in the world. Mr. D'Angelo, the celery man, said he was anxious to move and wanted to be the first one in the new market. Mr. Helm was very cordial. Si Yukon and his brother told me there was not a merchant in the new section who was not sick of the deal. Herb Ziegler said he wanted to see me in the next day or two about a lease. Nick De Feo, a restaurant man, wanted a place on our market and had several merchants talk to us about him. Mr. Fean seemed to be well acquainted with the farmers on the market and they are all anxious to get in the new market for the fall business.

I am going over to the new market today with Sol Goldberg, a wholesale grocer, and one or two produce men.

(Signed) G. E. Stanley.

[fol. 382] (Copy)

Kansas City, Mo.,
August 9, 1939.

Mr. J. L. Haugh:

Attached you will find letter from Mr. Lillard dated January 2, 1939 and by-laws for proposed Kansas City Food Terminal Association.

Last evening, I met with Harry Wolf, Traffic Manager for Michael-Swanson-Brady, and Jasper DeMaria. Mr. Wolf had redrafted the by-laws to conform to his ideas and the same will be reviewed by the Merchants' Committee within the next few days, after which I will send you the revised set and my own recommendations regarding the matter.

The farmers have a lawyer by the name of Mr. McGlynn. He is inexperienced so I will prepare and submit to him suggested by-laws for the Heart of America Growers Association, together with application for charter, and will, at the same time, send you a copy.

Personally, I think this is an opportune time to organize a growers association. I have some doubts about the gen-

eral market organization as there is considerable rivalry among the dealers and a lot of talk about who is going to run the market. I am fearful that if the directors are selected there may be some counter movements started, and from that standpoint I believe it would be best to defer the organization of the general market association until after all the merchants are in their places of business.

(Signed) G. E. Stanley.

[fol. 383] (Copy)

Kansas City, Mo., August 11, 1939.

Mr. J. L. Haugh:

Jasper J. DeMaria has been taking people over to the food terminal day after day. He uses his own car and has been very helpful. Mr. DeMaria has delivered to my office four leases, one signed by William F. Helm for two units, one signed by Phil Pisciotta for one unit and one lease signed by Herbert Ziegler. Both the Ziegler and Helm leases have objectionable reservations but are generally helpful as it shows they really want to be protected and it helps to settle the question in their minds.

There are just two more leases that we want. One is Garrett-Holmes. The other is with O. C. Evans Company. Mr. De Maria has taken these people over day after day and they have a very genuine interest in our market. He expects to close leases with these firms within the next week.

I have found Mr. DeMaria very dependable in every respect. He is Chairman of the Merchants' Committee and has never been paid one penny for his work. He sold out his business and will have additional time on his hands until the market is opened.

Mr. DeMaria told me that during the past thirty days he has spent $56.57 for meals and necessary expenses. He asked me to give him $250.00 and to continue him on a monthly basis until the market is opened. While I dislike very much to go to this additional expense, I believe you will understand the importance of this and I recommend that you send me check payable to J. J. DeMaria, for $306.57 and authorize me to compensate him for at least one other month.

Incidentally, Garrett-Holmes, which rented one of the stalls in the new market, operated for two days and sold three packages aggregating $10.00. They closed the stall and it is the most talked of incident in the produce trade.

Eddie Lorber, and all other occupants of the new market, are complaining about business and doing a first class job of knocking the facilities already built. It is absolutely barren of buyers as the grocers will not climb around over those platforms.

(Signed) G. E. Stanley.

[fol. 384] (Copy)

Omaha, August 14, 1939.

Mr. G. E. Stanley:

Your letter August 11, about work that Mr. Jasper J. DeMaria is doing in connection with the Kansas City Food Terminal:

This is a city-owned project and the facilities that he has helped to lease are owned by the City of Kansas City, Kansas. Any compensation should be paid by the City.

(Signed) J. L. Haugh.

[fol. 385] Union Pacific Railroad Company

Telegra n

(Pencil Note: KC Food Terminal,
Denver, Oct. 25, 1939.

GES, KansCy

Retel regarding PWA authority to city to award contract for bank and merchants bldg.

This authorization will exhaust all of balance of money available so that we will have to be careful about any future amounts. J-12.

JLH.

[fol. 386] Union Pacific Railroad Company

Telegram

1939 Oct. 25, AM 9 47.

77U

KC 25 925A
J L. Haugh Den

Board of Directors of Associated Grocers, an organization of independent grocers KC Mo, last night authorized leasing of facilities in our terminal S 332

GES.

[fol. 387] PLAINTIFF'S EXHIBIT No. 12

President's File No. 912

Volume 11

[fol. 388] Union Pacific Railroad Company

Telegram

Cheyenne, Nov. 19, 1939.

W S Ure, Omaha
HAT Omaha
GES, KC
LHS, Oma.

Will appreciate it if you will go to KC, Tuesday or Wednesday and talk with the committee of bankers about banking credits of jobbers in the new KC Food Terminal. Mr. Stanley at KC will advise you further about this. Orig WSU Oma, Cy. HAT LHS Oma, GES Kans Cy. J16

JLH.

[fol. 389] Union Pacific Railroad Company

Telegram

Grand Island, Nov. 19, 1939.

T.W.B. Omaha
L.H.S. Omaha

Will appreciate it if Walter Rouse can be in KC Tuesday morning and continue there helping the adjustment committee and handling other important items in connection with opening of the KC Food Terminal.

Will also appreciate if he will help to prepare the amended application to PWA and the requisition for intermediate grant. Orig TWB Cy LHS Oma. J-11

JLH.

[fol. 390] Union Pacific Railroad Company

Telegram

Montello, Nev., (Nov.) 20, 1110-A

G E Stanley KC GFA Oma

Orig GE Stanley KC Cy G F Ashby Oma. Phoned Mr. Ashby this morning and he will be in Kansas City this week

possibly tomorrow to talk with you and Mr. Breidenthal about banking credits.

J. L. Haugh.

[fol. 391] Telegram

Omaha 1215 PM Nov 20 1939.

J. L. Haugh, VP UPRRCo Train 27 Montello:

Your J-11 in re Kansas City Food Terminal matters based on preliminary study we have made an application to P.W.A. for additional grant will require statement from applicant and probably commitment as to how the applicant proposes to finance its share of the cost of the additional improvements. Ordinance authorizing the revenue bonds which we purchased contemplated issuance of an additional one million dollars. Question of the validity of the additional million dollars was not determined in case in Supreme Court of Kansas. Two methods are open to City.

One, issuance of general obligation bonds which is authorized by statute and seems to me to be the desirable method from our standpoint, though it may be impractical since it requires vote of people, and

Two, issuance of revenue bonds. Additional revenue bonds authorized by ordinance under which the original three million were issued cannot be issued under conditions imposed by that ordinance because the revenue from the Levee property is not sufficient to meet the requirements therein imposed.

I would not favor amendment of the ordinance to remove the conditions, since it would impair both the security of interest requirements and salability of bonds and to be assured of their validity would probably require an additional proceeding in Supreme Court. Another method would be as provided in the statute—to have city with the consent of the U. P. as holder of the outstanding issue take up the present issue, cancel them and make a new issue for the amount of the present issue which are to be cancelled plus the additional amount necessary to meet P.W.A. grant.

This would be the same procedure as was found when the present issue was made, and since the court has already determined in favor of the validity of the bonds, it would not be necessary in such case to again present the matter to the Court. I would like advice as to what our position is

to be with respect to the basis on which the City is to finance the additional improvements, and since original purchase was handled in accordance with H. W. C.'s instruction, feel any proposal to finance with additional revenue bonds should have his approval before any commitment made. G-75

T. W. Bockes.

1104 AM

[fol. 392] Western Union Telegram

Palo Alto, Calif., Nov. 22, 1939.

G. E. Stanley,
Care Manager, Telegraph Office,
UPRRCo
Sixth & Olive Sts
Los Angeles, Calif.

Mr. Dunlap, Vice President, Bank of America was in Kansas City last week. He told me here that the bankers whom he saw at Kansas City, Missouri were very much disturbed lest the Kansas City, Kansas bankers would get the accounts for the new market. Wish you would talk with Mr. Sweeney or someone of the First National about this. Possibly they can help materially in credit situation. Unless they do, they are certain to lose these accounts.

J. L. Haugh.

[fol. 393] (Copy)

City of Kansas City, Kansas

November 27, 1939.

Union Pacific Railroad Company, 717 Railway Exchange Building, Kansas City, Missouri.

Gentlemen:

Please be advised that Buildings A, B, C and D will be ready for occupancy on or about December 4, A. D. 1939. This occupancy will not be a revenue occupancy by the tenants, but is the date upon which the tenants will occupy the space and will need railroad service from the perishable team track yard for which the Union Pacific Railroad is

under contract to construct on that portion of the Public Levee leased by the City of Kansas City, Kansas, to the Union Pacific Railroad Company.

This notice is given in compliance with section 3 of the agreement between the Union Pacific Railroad Company and the City of Kansas City, Kansas, relating to the lease of the Public Levee for a perishable team track yard, which section provides that the City of Kansas City, Kansas, must notify the Union Pacific in writing when the first four buildings described in subdivision (d) of section 1 of said agreement, are completed and ready for occupancy.

This notice is forwarded to you in advance of the completion date.

Very truly yours, For the Board of City Commissioners, By (Sgd.) Alton H. Skinner, City Attorney.

AHS—d

[fol. 394] (Copy)

Estimated Income and Expenses of Kansas City Food Terminal

	Nov. 1, 1939 to Oct. 31, 1940	Nov. 1, 1940 to Oct. 31, 1941	Nov. 1, 1941 to Oct. 31, 1942
Income			
Rental grain elevator	$40,432	$40,432	$40,432
Grain elevator tracks	8,000	8,000	8,000
Industrial lead tracks	3,000	3,000	3,000
Inland Waterways	9,000	9,000	9,000
Board of Public Utilities	3,283	3,283	3,283
Land for team track yard	10,560	10,560	10,560
Kansas City Box Co.	30	30	30
Produce units—78, beginning Feb. 1, 1940 at $50 each for 3 months and then $150	81,900	140,400	140,400
Office units—27 at $600	13,500	16,200	16,200
Cold Storage plant,			
4 mos. at $812.40	3,250	.....	.....
4 mos. at 3000.00	12,000	.....	.....
12 mos. at 3000.00	.....	36,000	36,000
Farmers' Leases			
412 at $21 per year	8,652	8,652	8,652
Daily income 412 stalls at 25¢ for 150 days	15,450	15,450	15,450
Merchants' Building	5,000	10,000	10,000
Phillips' Lease	720	720	720
Farmers' restaurant, cigar counter and miscellaneous concessions	2,400	3,600	3,600
	$217,177	$305,327	$305,327

[fol. 395] (Copy)

Income	Nov. 1, 1939 to Oct. 31, 1940	Nov. 1, 1940 to Oct. 31, 1941	Nov. 1, 1941 to Oct. 31, 1942
Brought forward	$217,177	$305,327	$305,327
Less estimated non-occupancy			
10 produce units	10,500	.....	.....
5 " "	.....	9,000	9,000
3 office units	1,800	1,800	1,800
	$204,877	$294,527	$294,527
Less adjustments that may be made with tenants;			
Moving expenses 58 units at $250 $14,500			
Absorption of leases and damages, 13 jobbers 21 units $43,000			
	$57,500		
To be absorbed at maximum of one-half of rentals	20,275	18,900	18,325
	$184,602	$275,627	$276,202
Add for refrigeration:			
Income for first year	.....	.....	.....
Income second year:			
55 boxes at $10 per mo	.....	10,200	.....
20 boxes at $15 per mo	.....	.....	.....
Income third year:			
55 boxes at $20 per mo	.....	.....	.....
20 boxes at $30 per mo	.....	.....	20,400
Total Income	$184,602	$285,827	$296,602

Kansas City,
Nov. 29, 1939

[fol. 396] (Copy)

Bond Requirements			
Interest Nov. 1, 1939 to May 1, 1940 on $1,033,000	$20,660	.....	.....
Interest May 1, 1940 to Oct. 31, 1940 on $3,000,000	60,000	.....	.....
Principal payable Nov. 1	45,000	.....	.....
Interest and principal full year	.....	164,200	165,360
	$125,660	$164,200	$165,360
Operating Expenses			
Manager and two clerks $8,500			
Market Master and assistant 3,900			
Janitors 2,400			
Maintenance men and supplies 4,500			
Office supplies 2,400			
Insurance 6,500			
$28,200	25,850	28,200	28,200
Refrigeration and air-conditioning	17,500	30,000	30,000
Total Charges	$169,010	$222,400	$223,560
Net Income	$49,192	$63,427	$73,042

Kansas City,
Nov. 29, 1939

[fol. 397] (Copy)

C-23649

At Kansas City—December 3, 1939.

Mr. J. L. Haugh:

Referring to conversation with you last evening regarding an agreement to take care of the reasonable expenses which the City will have to assume in connection with certain tenants in the new Kansas City Food Terminal:

I have prepared and hand you herewith a rough draft of two forms of contract, referred to and identified as "A" and "B".

Form A is a proposed contract with the City Ice and Fuel Company whereby the Ice Company will give its note to the Riverview State Bank in an amount to be determined, which amount will be sufficient to enable the City to make cash settlements with all of the prospective tenants with whom the City feels it may reasonably make settlements as a proper expense of the Food Terminal. I think this is more desirable from the City's standpoint than making partial cash settlements with prospective tenants and extending credits for the remainder. In this way, when the new tenant moves in and accepts a lease, he or it will commence paying rental to the City at once in accordance with the terms of the lease and will have no period over which credits are to be extended.

The contract provides that the amount of the note is to be paid in monthly installments of $3,000.00, commencing January 1, 1941, until the full amount of the note plus interest of 4% per annum is paid and that the payments so made on the note will be credited by the City as so much rental paid under the lease, and that as soon as the note is paid in full, the Ice Company will then commence making payments of rent direct to the City.

The agreement further provides that the Bank will make settlements with the prospective tenants in such amounts and on such conditions as the City may order, direct and approve. In other words, the City will have to determine in each case that the claims presented are reasonable claims that the City may pay and will secure proper receipts and releases from prospective tenants and valid leases from such tenants for space in the new Terminal and an obliga-

tion on such tenants to move in and do business in the new Terminal.

Form B is a proposed agreement between the City and the City Ice and Fuel Company which provides for the payment by the City Ice and Fuel Company of advance rentals for the period commencing January 1, 1941, and ending in 1943, the exact date to be determined after the actual amount of the cash outlay to be made by the City is determined, plus interest at the rate of 4% per annum on the advance payments. The City to give the Ice Com- [fol. 398] pany credit on advance rental payments and to make adjustments direct with the prospective tenants.

Both of the agreement- are, in my opinion, simple and workable and legally defensible from the standpoint of the City, providing that the settlements made with prospective tenants are justifiable expenses to be incurred by the City and which will have to be determined by the City Commissioners.

I will be glad to attempt to negotiate with the City Officials on whichever basis you think advisable and which is agreeable to the Ice Company upon advice from you as to which basis is approved.

T. W. Buckes, TWB.

[fol. 399] (Copy)

December 4, 1939.

Mr. F. W. Charske, Chairman, Executive Committee, Union Pacific Railroad Co., 120 Broadway, New York City, New York.

Dear Mr. Charske:

The Kansas City Food Terminal was formally dedicated at Kansas City, Kansas yesterday, with appropriate exercises in the afternoon, and was attended by the Governor of Kansas and the City and County Officials of Kansas City, Kansas, together with some 20,000 people from both cities. Incidentally, had it not been for the congestion on the viaduct approaches, the number of people attending the dedication would have easily doubled.

I attach, hereto, tear sheets from Kansas City, Missouri and Kansas City, Kansas daily newspapers, which carry some interesting stories of the dedication ceremonies as well as the meeting between the Mayor, City Commission-

ers and other representatives business men of Kansas City, Kansas and the executives of the Burlington, Rock Island, Santa Fe and Missouri Pacific, who announced at Kansas City on Friday last that they intended to proceed with development of team trackage and later, if necessary, with market facilities in Kansas City, Missouri. Seemingly, their coming to Kansas City, with resultant publicity, was timed to take the edge off the publicity that would attend the formal opening of the Kansas City Food Terminal. Mr. Haugh attended the meeting at the request of Mayor McCombs of Kansas City, Kansas, and just before the meeting opened, I called Mr. Haugh on the telephone and suggested to him that he take the position at the meeting that the Union Pacific was agreeable to the other Lines serving the Kansas City Food Terminal provided a fair and equitable basis could be worked out. A copy of Mr. Haugh's letter, which has reference to this meeting, is attached for your complete information.

The Farmers' Market at the Kansas City Food Terminal is completed. Buildings "A" and "B" of the Dealers' Market are completed, and Building "C" is practically completed, except for the upper floor to be occupied by Brokers which will be finished in some two or three weeks.

The market opened actively this morning with about 70% of the Fruit and Vegetable Dealers doing business at the new Terminal. There are, of course, the usual complication that develop in connection, with moving these dealers, which includes lease obligations investment in refrigerator rooms, etc. in the buildings they now occupy that will have to be worked out. In this connection, I have taken the position that this is the obligation of the City, and that, while naturally our people will work closely with the City in soliciting these dealers and working out their lease problems, we cannot go beyond this limitation.

[fol. 400] As expected, there has been some little feeling worked up as between the two cities which we will feel temporarily, but I am sure it will work itself out over a reasonable period of time.

Apparently the other four lines are determined to progress their development at Kansas City, Missouri regardless of consequences.

I will keep you advised as to further developments from time to time.

Very truly yours, (Sgd) W. M. Jeffers.

[fol. 401] (Copy)

Union Pacific Railroad Company

Telegram

Translation

Kansas City, December 6, 1939 1050 A.M.

WMJ Oma & OL NAW FWR Oma

Jobbers on new Market have employed Croker and West, Attorneys to help them organize their association. P. W. Croker is U. S. Commissioner. George West is Wyandotte County Counsellor. Both these men are well known and influential. Our own attorneys and City Attorney are now in accord with cash adjustments to tenants can lawfully be made by City. Will endeavor today to secure favorable opinion from Attorney General of Kansas. Then, with these legal opinions in hand City Commission will appoint citizens Advisory Committee to sit with them in consideration of the matter at which time whole subject will be presented in detail. Our information at present indicates that when City Commissioners are thus fortified the cash adjustment will be approved. We are endeavoring to get this completed before Saturday.

Mr. Stanley and I attended meeting which jobbers on new market held yesterday afternoon for purpose of consolidating sentiment for new terminal. It was very effective in that direction. They agreed that all premises they had formerly occupied on Missouri side should be vacated not later than Saturday. While not so stated at the meeting, in a number of cases this is contingent on cash adjustment being completed before that time. Situation looks better now.

United States Cold Storage yesterday offered Louis Mallin apple jobber, receipt for $25,000 worth of cold storage. North End Group is calling in every jobber and endeavoring in every way to prevail upon them to stay. They are soliciting truckers and larger grocer buyers. This was expected.

Court yesterday authorized Rock Island to join in Grand Avenue Terminal to extent of $250,000.

From newspaper articles, it appears evident that railroads will build Grand Avenue Viaduct at their own expense. Orig WMJ Oma & OL cy NAW FWR Oma J-79.
JLH

[fol. 402] At Kansas City,

Dec. 6, 1939.

Dear Jack:

It was mighty fine of you to invite Mr. Jeffers and me and other officers of the Union Pacific to your house Saturday afternoon. We enjoyed it very much.

Mrs. DeFeo was a mighty gracious hostess. Please give my regards to her.

With best wishes.

Yours very truly, (Sgd) J. L. Haugh.

Mr. Jack DeFeo, 4301 Gladstone Blvd., Kansas City, Missouri.

[fol. 403] (Copy)

Union Pacific Railroad Company

Telegram

50 Kansas City 905 A.M 12-7-39.

W. M. J. On Line

Had another talk with the three City Commissioners late yesterday afternoon. They authorized City Attorney Skinner to employ advisory council of three prominent lawyers to consider with him and report to them on the legal situation in connection with cash adjustments. The Law Committee meets at nine this morning.

If legal opinion is favorable, matter will be progressed quickly. At Mr. Skinners request, our attorneys prepared in advance memorandum containing all citations they could find on the subject, and delivered it to him this morning for use of his committee. They found no adverse law. J-82 Orig WMJ Omaha and On Line. Cy NAW FWR Omaha.

J.L.H.
1154 A.M.

Translation

[fol. 404] (Copy)

Union Pacific Railroad Company

Telegram

44CA CD WN Kans City 12N Dec 8 1939

WMJ—On Line

The Law Committee for City has not yet concluded its examination and report. This is expected some time today. Mr. Bockes and Mr. Rouse sat in with the committee part of the time yesterday and advise that nothing unfavorable has yet developed.

Endeavoring to get opinion of Attorney General but he is not well and his opinion may be delayed.

General situation now appears more favorable than at any time as to allowing adjustments which are very important. We are working all possible to conclude adjustments before Saturday.

Our traffic department force is soliciting important grocers to buy on new market.

We are putting on checker at Minnesota Ave Viaduct to count grocers trucks so that we can be informed of progress.

Attorney Homer Davis of Santa Fe is here handling purchase of property for new team yard. Was advised yesterday that they had let construction contract to Jones Constr Co of Dallas Texas. Have no details on this yet.

Mr. Von Weise and Attorney from for Federal Cold Storage are here Mr. Sinek has an executive committee meeting in Cleveland today and will recommend authority on payment advance rental. Orig WMJ Oma & OL Cy NAW Oma OL FWR Oma j-92.

JLH
114PM

Translation

[fol. 405]

Copy

J. H. Genung

Marketing

Telephone: Lombard 9370

209 Terminal Commerce Building, 401 North Broad Street
Philadelphia, Pennsylvania

December 8, 1939.

Mr. William Martin Jeffers, President, Union Pacific Railroad, Omaha, Nebraska

Dear Mr. Jeffers:

Please accept the hearty congratulations of a group of men who have been long interested in the building and management of wholesale fruit and vegetable markets on the magnificent job and the imagination and courage on the part of you and your associates in the Union Pacific Railroad in the opening of the Kansas City, Kansas, terminal. It is a real trail blazer, I believe, for the rest of the United States and my trip out there was more than amply repaid for the time I spent with Mr. Weedin.

It is more than encouraging to see a group of railroad men these days going after business the way that you people are, and I hope that I can be on hand for the next job that you do like this.

I want to particularly congratulate your organization on putting one of your dining cars on the track over there, and it may be interesting to you to know that the response was immediate when I asked the man in charge what he intended to do when he got crowded. He said that there were five more cars that were ready to be put on the track at any time. I think that is indicative of the kind of organization you must have, and it certainly was more than encouraging to see your efforts brought to such a splendid conclusion.

Very truly yours, (Sgd) J. H. Genung, President,
National Marketing Service Company.

JHG/rs

[fol. 406] (Copy)

Union Pacific Railroad Company

Telegram

9 OU RUSH

KC 9 315P

WMJ OL

Legal Committee for City is expected to make report this afternoon. They are calling an advisory committee to meet with board of City Commissioners tomorrow afternoon on question of policy, at which time I am asked to present the proposal relative to adjustments. It looks favorable, although it is taking longer than expected. When it is finally approved everything will be out in the open entirely legally clear, as well as clear from standpoint of policy. When we get this particular behind us, we can make better progress. J 3 Jt WMJ Oma & OL.

JLH

Translation

[fol. 407] (Copy)

Kansas City—December 9, 1939.

Mr. J. L. Haugh:

Notice from the Board of City Commissioners of Kansas City, Kansas, under date of November 27, 1939, enclosed with your letter of December 8th is returned herewith.

Section 3 of the Team Track lease dated November 28, 1938, provides that the term thereof shall commence on the date on which the City notifies the Company that the four Produce Buildings are ready for occupancy. In my opinion the notice from the City is a sufficient compliance with this provision and from its terms contemplates that the term of the lease and the rental year defined in Section 4 of the lease shall commence December 4, 1939.

The Company is obligated to pay as rental $10,760 for each rental year, payable within 20 days after the expiration thereof.

T. W. Bockes, TWB.

[fol. 408] Union Pacific Railroad Company

Department of Traffic

Circular No. 140

Kansas City, Missouri.
December 11, 1939.

File A-2404-1501-1

All General Agents—Union Pacific Railroad:

Our Circular of October 21, 1939, described in a general way the Kansas City Food Terminal which was opened for business December 4th.

Most everyone, after seeing these facilities, agrees they the finest and most modern, architecturally and physically, of any ever constructed. Dealers here, and many from other points, are outspoken in their praise of arrangements for convenient and economical handling of all kinds of fruits and vegetables. All units are directly served by trackage, and in addition the large team tracks immediately adjacent provide convenient and economical car to truck unloading. Too, receivers' cars arriving via all railroads entering Kansas City may be conveniently grouped in this one terminal for inspection and disposition.

We are sending you, under separate cover, as indicated, several copies of the rotogravure section of "The Packer," of December 2, 1939, showing in detail facilities, trackage arrangements, etc., together with photographs of many of the interested dealers.

In our letter of December 9th, you were advised of arrangements on the part of all Kansas City lines, wherein perishable traffic may be set to or handled from the terminal without extra expense to the shipper—whether unloaded, or diverted to some point beyond Kansas City.

Trust you will make full use and distribution of these sections of "The Packer" referred to above.

C. C Weedin.

Cy.—Mr. J. L. Haugh.
Mr. G. E. Stanley
Mr. F. W. Robinson
Mr. R. R. Mitchell
Mr. W. H. Olin
Mr. W. T. Burns
Mr. H. E. Lounsbury
Mr. A. J. Seitz
Mr. W. T. Price
Mr. A. V. Kipp.

[fol. 409] List Showing Number of Copies "The Packer" Rotogravure Mailed To Each Traffic Representative"

Station	No. Copies	Station	No. Copies
Chicago	300	New Orleans	200
Denver	1000	New York	250
Detroit	200	Oakland	200
St. Joseph	100	Ogden	100
Salt Lake City	200	Omaha	100
Portland	200	Pasadena	100
Seattle	200	Philadelphia	100
Los Angeles	500	Pittsburgh	200
San Francisco	500	Pomona	200
Aberdeen	20	Portland	200
Alhambra	50	Redlands	200
Astoria	10	Riverside	200
Atlanta	100	Sacramento	200
Bend	10	St. Joseph	100
Boise	50	St. Louis	300
Boston	25	Salt Lake City	200
Butte	25	San Diego	100
Cincinnati	100	San Francisco	200
Cleveland	300	San Jose	200
Dallas	500	San Pedro	100
Des Moines	50	Santa Ana (300)	300
Eugene	50	Santa Monica	300
Fresno	100	Sioux City	100
Gering	100	Spokane	200
Glendale	100	Tacoma	100
Highland Park	100	The Dalles	100
Lewiston	50	Toronto	50
Lincoln	50	Tulsa	100
Long Beach	100	Walla Walla	100
Longview	5	Washington	10
Milwaukee	100	Winston-Salem	50
Minneapolis	100	Yakima	200

[fol. 410] (Copy)

At Kansas City,
December 11, 1939.

Mr. H. A. Toland:

Attached is a formal notice from the Board of City Commissioners of Kansas City, Kansas, dated Nov. 27, of the beginning of rental on the land leased to the Union Pacific for perishable team track yard at the Kansas City Food Terminal.

Am attaching, also, copy of Mr. Bockes' letter Dec. 9 to me, advising that in his opinion this notice is sufficient compliance with the provision of the lease agreement.

(Signed) J. L. Haugh.

[fol. 411] (Copy)

Union Pacific Railroad Company

Telegram

(Translation)

150GN 1939 Dec. 12 P.M. 12:05.
KC 12 1135A
WMJ Oma.

Two of the three members of the City Commission called meeting of advisory committee of fifteen substantial business men of their City to their council to advise them with respect to adjustments to fourteen leading and controlling jobbers who are moving to new market. The Third commissioner sat in throughout the meeting. I presented matter fully and importance of it. Each one of the group was asked to express his opinion. Every one of them favored the proposal. Vote was unanimous by the group to recommend to City Commission that it negotiate and make the adjustments. There was no dissenting vote, not even from the third commissioner. Necessary resolutions and ordinances will be handled before City Commission this morning.

The morning's Kans City Times carries front page, full column article about it.

The press was invited to sit in so that the entire public would be fully advised.

We have handled the matter so that it is entirely clear

legally for every interest concerned, the Railroad, Cold Storage Co. and the City.

We still need opinion Attorney General, and am advised on reliable authority that it will be forthcoming either today or tomorrow. J 13.

J.L.H.

[fol. 412] (Copy)

At Kansas City,
December 12, 1939.

Mr. W. M. Jeffers:

Attached is the front page of the Kansas City Journal containing an article about the market matter. This was to be expected following the complete publicity that it was necessary to give to yesterday's meeting at Kansas City, Kansas, authorizing adjustments to jobbers. I expect this to be given very wide attention throughout the country because of its very unusual nature. It is such an unusual transaction that it could not be handled otherwise than to have it entirely above board and information given to the people about it.

Have asked Ed Schmidt to come to Kansas City tomorrow morning to give us help on publicity because it will be necessary to answer many of these attacks.

The Star carried a small article, which is attached. The business men of Kansas City, Missouri, that we do business with were represented at the dinner we had at the Club, Saturday night, Dec. 2, and you will remember how cordial and friendly they are. There is no change in their attitude, nor will there be.

Kansas City, Missouri, depends almost entirely on business from the State of Kansas, and these people cannot go very far in their battle without seriously injuring themselves.

The fist fight was an attack upon Jasper DeMaria, who was working for the Kansas market, by a keeper of a s-loon and gambling house who accosted him on the street. Jasper was protected by a son of one of the jobbers who soundly thrashed the assailant.

(Signed) J. L. Haugh.

[fol. 413] Produce Dealers in Kansas City Food Terminal

Bldg. A

A. Robinson & Sons Fruit Co	100-102
Quality Banana Co	104
Shefford Cheese Co	106
Mallin Produce Co	108-110
H. Winer Produce Co	112-114
Litman Produce Co	116
National Produce Co	118
N. DeMarea	120
Garrett & Holmes	122
W. F. Helm & Son	124-126
Henry Fishman Co	128
D'Angelo Celery House	130
Pisciotta Fruit & Vegetables	132
Jack DeFeo	134-138

Bldg. B

Missouri-Kan. Produce Co	101
C. Polito Produce Co	103
Watrous & Sons	107
Heart of America Growers'—William Fean	109-111
Midwest Potato Co	113
L. Gordon & Son	115
Walinov Produce Co	117
Market Fruit Co	119
Baum Fruit & Produce Co	127
Terminal Paper & Supply Co	129
Dreyer-Dworak Commission	131-133
Royal Fruit & Produce Co	135
J. Pepperdine & Sons	137

Bldg. D

Sarser Produce Co	200-202
Junsberg & Son	204
Winick Bros	206
Palermo & Sons Co	208
A. Feinberg & Son	212
L. Yukon & Sons	214-216
Lobby for Brokers' Offices	218
Litman Produce Co	234-236

Dec. 12, 1939.

[fol. 414] Telegram

145 GN 1939 Dec 13 PM 1 36

KC 13 1220PM

WMJ Oma

City Commission this morning unanimously passed resolution covering adjustments to jobbers and introduced for first reading two ordinances necessary to make them effective. Final passage is contingent on favorable opinion from Attorney General. J 21

JLH

[fol. 415] (Copy)

Kansas City, Missouri,
December 13, 1939.

File: B-2404-1501-1

Mr. J. L. Haugh:

Your letter December 9th advising that Mr. Stanley had 20,000 copies of the rotogravure section insert on the Kansas Food Terminal which appeared in "The Packer" December 2nd, suggesting that Mr. Mueller and Mr. Mindemann effect distribution of them to the grocers in Kansas City; also sending supply to the Associated Grocers and the Kansas Service Grocers, requesting their cooperation in the distribution throughout Kansas and Missouri:

Mr. Mindemann, as well as our freight traffic agents, have called on more than 100 grocers in Kansas City, Missouri, and left with each one of them a copy of the rotogravure section referred to. Believe this has had a stimulating effect. Additionally, Mr. Shearer is now spending from 2 to 3 hrs. each afternoon telephoning his grocer friends in Kansas City, Kansas, urging that they do their buying in the Kansas City Food Terminal. Further, Mr. Shearer will check the departure of grocerymen from the Food Terminal to see what, if any, good results from these calls. All Assistant Traffic Managers, General Agents, both on and off line have been furnished a supply of these rotogravures.

C. C. Weedin.

Cy—Mr. G. E. Stanley
Mr. E. C. Schmidt

[fol. 416] (Copy)

Kansas City, Mo., Dec. 14, 1939.

B-5107-338-12

Mr. J. L. Haugh—Omaha:

In accordance with your request, I quote the following:

FRUITS AND VEGETABLES

	No. of cars
Cars unloaded Kansas City all lines, 1938	11,766
Cars unloaded Kansas City all lines first 11 months, 1939	10,209
Cars into Kansas City and unloaded via Union Pacific (Received and delivered), 1938	2,865
Cars into Kansas City and unloaded via Union Pacific (Received and delivered), first 11 months, 1939	2,459
We handled for account of Michael Swanson Brady Produce, Kansas City and unloaded 1938	282
First 11 months of 1939	185
This same firm handled into Kansas City and diverted out of Kansas City in 1938	2,971
First 11 months of 1939	3,156
We handled for account of Black and Froman, 1938	30
First 11 months of 1939	20
They shipped via all lines in 1938	125
First 11 months of 1939	131

This latter firm specializes in cranberries, Minnesota and Dakota potatoes, and onion sets. They had anticipated quite a number of potatoes from Kansas, however their crop failed and they had only a few cars this year.

K. T. Mindemann.

ktm/ctc

[fol. 417] (Copy)

Brown and Loe

Car lot Brokers

Kansas City, Mo.,
December 16, 1939.

Subject—Fruit and Vegetable Markets in Greater Kansas City.

The nature of our business is such that we are naturally much interested in the above subject. No doubt a fair percentage of your income is derived from the sale of fresh fruit and vegetables, and in this respect, we have something in common.

Both the Kansas City, Missouri retail and wholesale market and the Kansas City Food Terminal located on the Missouri-Kansas line are nearing completion, with produce firms located in each market. The Kansas City, Missouri market does not have railroad track facilities, nor cold storage in the units, enclosed sales arcade and additional unloading tracks adjoining the market; all of which are essential for the economical, efficient and sanitary handling of perishable commodities. The Kansas City Food Terminal has every facility that any carlot receiver could possible expect for the handling of all commodities of fresh fruit and vegetables. Unloading tracks at each place of business, cold storage rooms in each basement, insulated enclosed sales arcade which protects merchandise in cold weather as well as in hot weather and permits each produce dealer to keep his front doors open regardless of outside temperatures, additional unloading tracks for approximately 400 cars directly adjoining market buildings and fifteen acres of paved parking space for trucks and pleasure cars. It is the finest market in the United States and words fail to describe this efficient market that distributors are so fortunate in having in Greater Kansas City. If you have not recently visited both markets, we urge that you do so promptly.

It has been mentioned that four railroads will build large terminal yards, also a long expensive viaduct from about Second and Grand to almost the river front. From what information we can gain, such yards will not provide any-

thing additional than what the Kansas Terminal has already provided. It will be an unnecessary expenditure for the handling of carlots of perishables.

From time to time it has been mentioned that property value will decrease due to Missouri firms moving to the Kansas Terminal. When the city hall, county court house, county jail and No. 1 police and fire stations were all moved to another section of the city, hundreds of employees left this section of the city, buildings were torn down or vacated, and that is what depreciated property value in the North End.

Greater Kansas City as we see it is one community. [fol. 418] The Kansas City Food Terminal spells progress. On account of facilities alone it is to the advantage of each and every produce firm to be located at this terminal. Such advantages mean savings for produce men and their customers. We hope you will carefully inspect both markets and see for yourself the outstanding facilities in the Kansas City Food Terminal, which is exclusively a wholesale market. No retail sales will be permitted.

We are interested in the future welfare of the produce industry in Greater Kansas City. We are property owners in Missouri, and as wholesale operators are interested solely in the most economical way of distributing fruit and vegetables.

Cordially yours, Brown and Loe.

DB:RP

[fol. 419] Union Pacific Railroad Company

Telegram

Kansas City—Dec. 16, 1939.

W. M. Jeffers—Wash.

Attorney General is friendly but not willing to take responsibility to issue opinion. City Attorney is going to Topeka tomorrow to request Attorney General to bring Quo Warranto proceedings in Supreme Court to establish authorization of City to make adjustments. This is being developed in such way that motion will be filed Monday, heard Tuesday and decided Wednesday of next week. Delay is aggravating but believe we can hold merchants until decision is rendered. It will be a greater protection. Today there are 35 tenants occupying 46 of the 58 available units.

Business on market is good and jobbers are enthusiastic. J-40.

J. L. Haugh.

Translation.

[fol. 420] (Copy)

Union Pacific Railroad Company

Telegram

Kansas City—Dec. 18, 1939.

WMJ—New York:

Attorneys for City and our Attorneys are all at Topeka working on quo warranto case. Schedule is to file petition of Attorney General and answer by the City tomorrow morning. Court will hear arguments at two o'clock tomorrow afternoon. Decision will be given sometime after that, probably Wednesday. Followed by written opinion of the Court, bond holders will be represented at hearing by A. L. Berger. Everything so far is favorable. Market today had best day yet in amount of sales. Additional tenants are inquiring for space. Am working here until adjustments are decided. J-64.

J. L. H.

Translation.

[fol. 421] (Copy)

At Kansas City,
December 18, 1939.

Hon. Don C. McCombs, Mayor, City of Kansas City, Kansas, City Hall, Kansas City, Kansas.

Dear Mayor McCombs:

Your attention is directed to the clause in the standard form of lease for space in the Kansas City Food Terminal, which requires thirty days' notice before beginning of rental.

The notice on all of the leases excepting those where special adjustments are to be made should be served before December 31, so that rental will begin February 1, 1940.

Yours very truly, (Sgd.) J. L. Haugh.

cc—Mr. A. H. Skinner, City Attorney, City Hall, Kansas City, Kansas. Mr. G. E. Stanley. Mr. T. W. Bockes.

[fol. 422] (Copy)

December 21, 1939.

Mr. W. J. Sinek, City Ice & Fuel Co., 33 South Clark St., Chicago, Illinois.

Dear Mr. Sinek:

Confirming our 'phone talk today:

Am attaching duplicate originals of contract providing for the advance by your company of $80,000 on future rentals of cold storage plant to be repaid at the rate of $16,000 per year for five years, beginning January 1, 1941, without interest.

This is to be executed by you with the understanding that the city will approve the refrigeration contract proposal left with them by Mr. Rhode, for a period of 15 years instead of 10 years as provided in the proposal.

Please arrange for execution of the attached contract and forward it to Mr. Stanley for delivery to the city.

Yours very truly, (Sgd.) J. L. Haugh.

cc—Mr. T. W. Bockes
Mr. G. E. Stanley

[fol. 423] PLAINTIFF'S EXHIBIT No. 13

* * * * * * *

G. E. Stanley's Files

* * * * * * *

[fol. 424] (Copy)

Union Pacific Railroad Company, Department of Traffic

Cleveland, Ohio, December 26, 1936.

Mr. G. E. Stanley, Executive Assistant c/o Mr. C. C. Weedin, Union Pacific Railroad, 721 Railway Exchange Bldg., Seventh & Walnut Sts. Kansas City, Missouri.

Dear Sir:

This will introduce to you Mr. Joe DeOrio who expects to arrive in Kansas City January fifth or sixth, accom-

panied by Mr. Wm. Fean of Columbus, Ohio and he will present this letter to you, and in line with your letter of December 21st I hope you will show them every courtesy and assist them in every way in working out the plan they have in mind.

Yours truly, (Signed) W. H. Benham, General Agent.

[fol. 425] (Copy)

Kansas City, Missouri, January 4, 1937.

Mr. J. H. Haugh:

Following my talk with you over the telephone today, I consulted with Mr. J. DeOrio and Mr. Wm. Fean and make definite appointment with them at Kansas City for you and Mr. Mitchell on Monday, January 11th.

Mr. DeOrio expressed his high regard for Mr. Benham and stated that he would not consult or talk with anyone else in Kansas City until he knew whether or not it was possible to work out a deal with the Union Pacific.

Mr. Peters and I showed these gentlemen Fairfax and the Public Levee. They are particularly interested in the latter and stated it would be very suitable for a high class food terminal.

Between now and next Monday these people will develop their own definite suggestions. I have explained how it would be possible for us to assist them in obtaining P. W. A. finance through Kansas City, Kansas, which owns the property and could lease the same for a period of 99 years.

I will develop the matter further and give you some advance information prior to the scheduled conference at Kansas City.

G. E. Stanley.

cc—Mr. R. R. Mitchell, Mr. W. H. Benham, Mr. C. C. Weedin.

[fol. 426] (Copy)

Omaha, January 5, 1937.

Mr. G. E. Stanley:

Attached is copy of a letter from Mr. W. H. Benham, our General Agent at Cleveland.

From the information in this letter and also from that given me by Mr. Mitchell, these men are very resourceful

and able to carry through a large project. However, it will be necessary to keep an eagle eye for the protection of the Union Pacific in the matter.

Mr. Mitchell thought that it would be better that neither he nor I contact them in the early stages, because they would seek concessions from us that might be embarrassing to turn down.

(Signed) J. L. Haugh.

[fol. 427] (Copy)

Kansas City, Mo., January 13, 1937.

Air Mail.

Personal.

Mr. W. H. Benham:

If you have not already done so, will appreciate if you will send a 1937 calendar of the Northern Ohio Food Terminal to Mr. Haugh and Mr. Mitchell as it gives pretty good information about the extent and character of that development.

We have conferred with Messrs. DeOrio and Fean. They evidently know the fruit and vegetable business and rate the site on our line as the very best obtainable at Kansas City. However, the land is owned by the City and it would have to own the buildings and facilities, which could be leased for a long period of years. Messrs. DeOrio and Fean think it is possible to work something out and have established direct relations with the city officials. We are cooperating with them in every possible way.

G. E. Stanley.

[fol. 428] Kansas City, Missouri, February 4, 1937.

A-2404-1501-1.

Mr. R. M. Mitchell, Omaha.

You have been informed previously of the proposed fruit auction at Kansas City in connection with which I attach a copy of Mr. Stanley's letter of January 18th to Mr. Haugh.

Mr. Joe DeOrio of Cleveland, and Mr. Wm. Fean of Columbus are jointly sponsoring this, and it is still in a confidential stage, and it is, of course, their desire that it receive no publicity until the opportune time for public announcement.

Mayor McCombs, City Attorney Skinner, and Mr. W. J. Breidenthal, banker, of Kansas City, Kansas, seem to think very favorably of this proposal and, naturally, it will be promoted as a civic program.

Mr. Stanley and I have discussed this briefly with Messrs. DeOrio and Fean on different occasions, and they are of the opinion there is a wonderful opportunity for further developing Kansas City as a fruit and vegetable market. Their experience in developing the Cleveland and Buffalo fruit auctions caused them to believe that an auction here is very desirable from a standpoint of the trade, and that such a facility would greatly increase the movement of perishables through Kansas City for the purpose of trying the market, much of which traffic would be diverted from both southern and northern routes, due to the desire of shippers and brokers to have the traffic move through Kansas City. They believe that much traffic would be diverted from here to eastern markets rather than from St. Louis, for example. It is also felt that the Union Pacific should be the serving and switching line, and that such an arrangement would be helpful in enlarging to a very great extent the Union Pacific inbound movement from the West, in that quicker and more dependable deliveries might be expected in connection with our road haul and switching service.

There is a bill now before the Kansas Legislature proposing certain modifications in the revenue bond law, which will permit the City of Kansas City, Kansas to finance this with revenue bonds. Mr. W. J. Breidenthal advises measures for this financing are making satisfactory progress.

While we are not yet prepared to furnish you any estimate as to the increased traffic that we might expect, I have secured and am attaching for your information a statement compiled from advance information furnished us by government authorities, indicating total arrivals of fruits and vegetables at Kansas City for the years 1936, 1935 and 1934, indicating total arrivals, cars unloaded, and diversions by commodities. I have indicated in ink total cars received via Union Pacific and unloaded during 1936 and 1935, that may give you an idea as to the proportion of the total cars un- [fol. 429] loaded, handled via our line.

We have not yet broken down the other figures by specific commodities, however, during 1936 there were 299 cars of Union Pacific other fruits unloads, as compared to 280 the

previous year; and 1071 cars of other green vegetables, as compared to 935 cars the previous year.

It will be our purpose to segregate these last named items by specific commodities and then estimate the increase that we believe might be expected with this proposed facility served by the Union Pacific exclusively. In this connection I understand, however, the Missouri Pacific under existing agreements would have access to the industry, since it will be located east of Minnesota Avenue.

We are giving you this preliminary report and shall endeavor to keep you fully informed of developments, everyone bearing in mind that the Union Pacific is to remain in the background for the present, when considering that there might be some adverse reaction from some of the dealers, and especially should the project fail to materialize.

Messrs. DeOrio and Fean seem to be very carefully studying their various movements, and have in mind the various obstacles that were encountered in Cleveland and Buffalo, and are planning on meeting such eventualities as they arrive.

C. C. Weedin.

[fol. 430] (Copy)

February 15, 1937.

Mr. W. H. Benham, Union Pacific Railroad, 1006 Terminal Tower Building, Cleveland, Ohio.

Dear Mr. Benham:

Mr. DeOrio and Mr. Fean left here yesterday morning and the former stated that he would make contract with you. I am therefore sending a print and perspective prepared by Messrs. Gentry, Voskamp and Neville Architects for proposed food terminal at Kansas City. You may advise Mr. DeOrio that P. W. A. attorneys recommended a further amendment of the proposed revenue bond law and that may delay the enactment of the bill until sometime next week. Of course there is nothing certain about this bill becoming a law, but it is being handled as skillful as possible.

We have enjoyed working with these gentlemen whom you directed to us. They seem to be well pleased with the layout. I am convinced after knowing more about their plans that the public levee is the most suitable property that can be utilized for the purpose at Kansas City.

There is also advantages connected with public ownership about financing that we have made apparent to Mr. DeOrio and Mr. Fean and in case that the proposed bill becomes a law, we will assist them in negotiating a satisfactory deal with Kansas City, Kansas. Although we did not promise them any financial assistance, it is not improbable that we might assist them in selling these revenue bonds to investment bankers.

Altogether, the prospects are reasonably good and I am not lacking of appreciation for your thoughtfulness in referring them to us.

With best wishes, I am

Very truly yours, G. E. Stanley.

[fol. 431] (Copy)

March, 1937.

Board of Commissioners, Kansas City, Kansas.

Gentlemen:

The undersigned are experienced in the wholesale f-uit, and produce vegetable business and are also experienced in the construction and operation of food terminals in metropolitan centers.

In 1929 one of the undersigned acquired necessary land (about 58 acres) in Cleveland, Ohio on which the modern Northern Ohio Food Terminal was constructed for the Nickel Plate Railroad Company. The total cost of land and improvements was about $12,000,000.

In 1931 the undersigned, working in cooperation with the Erie Railroad Company, acquired land and negotiated for construction of the Niagara Frontier Food Terminal Buffalo, New York at a total cost for land and improvements of about $10,000,000.

Both of the food terminals mentioned above are successful and prosperous. They also reflect credit on the cities where they are located. Photographs and descriptive literature concerning the above mentioned food terminals are attached for your more complete information.

Because of improved business conditions and apparent need of a first class food terminal at some middlewestern city, we will consider the construction of same in Kansas City. We will require approximately 50 acres of centrally

located land, on which the following described buildings and facilities will be constructed, namely:

(a) Auction house approximately 360′ x 116′.

(b) Two buildings, each two stories and basement covering ground area of 485′ x 116′.

(c) Two buildings, each one story and basement covering ground area 485′ x 116′.

(d) Inspection and team tracks for approximately 500 cars, with paved areas between tracks for the accommodation of trucks.

(e) Farmers' market for wholesaling products to merchants.

After carefully canvassing the situation at Kansas City and examining sites with relation to railroad facilities, highway access and other factors entering into our problem, we believe that portion of the public levee east of Minnesota Avenue Extension and fronting on the Missouri and Kansas rivers, if properly improved, would be a satisfactory [fol. 432] site.

According to our preliminary estimates, the new improvements and structures, exclusive of moderate requirements for paving and sewers, would cost approximately $2,000,000. However, we will require room for additional buildings and expansion for the convenience of allied food lines.

Our attorneys, Messrs. McAnany, Alden & Van Cleve, advised that the city is authorized by law to issue revenue bonds payable solely from revenues and not by taxation, to construct facilities connected with shipping by rail, water and highway. We are further advised that there is at present an outstanding revenue bond issue against the public levee for $1,054,000.

We suggest that the city authorize an issue of four per cent revenue bonds in an amount sufficient to construct the improvements contemplated by us and also to refund bonds now held by the Public Works Administration. We propose to purchase revenue bonds, if authorized by the city, in an amount sufficient to refund the present issue and construct buildings and facilities above described, provided the city will lease the entire public levee to us for a term of ninety nine years on the following terms and conditions namely:

1. That the city will apply to and obtain a grant from the Public Works Administration for 45 per cent of the cost of labor and material to apply toward the cost of improvements on city owned land.

2. That the city will adopt plan for the improvement of the public levee, including buildings and facilities above described, which will be approved by us.

3. That State Highway Department will construct proposed viaduct over operating railroad tracks of Union Pacific, Missouri Pacific and Chicago Great Western.

4. That city will widen Minnesota Avenue from foot of such viaduct to Jersey Creek and pave such public streets on the public levee as may be required for the operation of a large food terminal.

5. We will organize a corporation under the laws of the State of Kansas to be known and called the Tri-Way Food Terminal Corporation with fully paid up capital of $— and will cause said corporation to enter into a lease with the city to lease the entire public levee, together with buildings and improvements thereon for a term of ninety nine years, subject to existing leases and also subject to the city exercising full control and public dominion over the new dock along right bank of Missouri River and also strip of land 100 feet wide fronting on both Missouri and Kansas river. The corporation to be formed shall have joint use of such dock and reserved river frontage in common with others. The annual rent to be fixed at $— per annum, [fol. 433] until all of the revenue bonds authorized and issued have been fully paid and retired and for the balance of the term, the corporation to be organized will pay a flat rental of $— per annum for the leased premises.

Attached for your further information is a tentative layout for the development of the public levee such as contemplated by us. The proposed food terminal would greatly increase the handling of fruits, produce and vegetables at and through Kansas City. It would be a national market for wholesale handling, and shipping of the products of agriculture by rail, river and highway.

As evidence of good faith, the corporation to be formed will post corporate surety bond in an amount to be agreed upon, conditioned that we will carry out the terms of this

proposal or forfeit the penal sum to be fixed by such agreement. We are ready to enter into negotiations for preparation of a suitable agreement to cover details of proposed transaction.

Very truly yours, (Unsigned).

[fol. 434] (Copy) (S-18)

Omaha, March 5, 1937.

Mr. G. E. Stanley:

In connection with the food terminal at Kansas City:

It will be necessary to provide storage and runaround tracks along the main lead from the south end of the levee up to the end of the tail track, from which the team tracks lead; in other words, this will make practically a double track lead nearly the entire distance from the south end of the levee up to the north end of the tail track, with convenient crossings.

I mention this so that the engineers, who are developing the plans will provide sufficient space. I notice from Horner & Wyatt's plan that they evidently contemplate reaching the team tracks only from the north end. I believe, in the circumstances, it will be necessary to reach them from the south end; that is, across the bridge to Jersey Creek. Much of the tail track is possible to be located on the drainage district's right-of-way for dike.

(Signed) J. L. Haugh.

[fol. 435] (Copy) (S-18)

Kansas City, Missouri, March 8, 1937.

Mr. J. L. Haugh:

I have your letter of March 5th referring to railroad tracks suggested for proposed food terminal on public levee.

The engineers are not doing any work on this project at this time and we are holding everything until final action is taken on refunding revenue bond bill pending in the legislature.

I am advised that there is a likelihood of this being passed by both Houses this week. I am going to Topeka tonight to join Mr. Breidenthal and will address some attention to the public levee bill tomorrow.

In case we are successful in getting the necessary law,

I would like to arrange a meeting between you and the engineers in order that they would get a clear idea of your plan of railroad operation. If a food terminal is established on this land, the magnitude of the operation will probably require at least two operating tracks on the east side of the levee and a hold yard north of the levee property. We could probably work out some satisfactory deal with Phillips on some of the property purchased from the airport or inside the dike and now under contract of sale to Phillips.

The Kaw Point Boat & Motor Company will not require the site along the Kaw River at the south end of the levee and it may be possible to utilize some of that land.

Safeway Stores, about which I previously wrote you, are contemplating a produce unit at Kansas City to cost about $100,000. Its Chief Engineer will be in Kansas City Wednesday so with the full consent of Messrs. DeOrio and Fean, I talked to Mr. Hollenbeck about pending plans today and have arranged for a meeting with Safeway's engineer when, he arrives in Kansas City. Mr. Hollenbeck is interested in the proposed plan and promised to treat the information as confidential.

I will wire you just as soon as the legislature acts on the bill.

G. E. Stanley.

[fol. 436] (Copy)

Kansas City, Mo.,
March 25, 1937

Mr. J. L. Haugh:

Attached is House Bill No. 493 as it was passed by both House and Senate. It varies slightly from House Bill 255 and Senate Bill 239, which I previously sent you, P. W. A. wanted a provision that would permit them to hold same amount of bonds in the larger issue, if it so elected.

The bill has been signed by the Governor.

G. E. Stanley.

[fol. 437] (Copy) (S-18)

Omaha, April 12, 1937

Mr. G. E. Stanley:

I am enclosing herewith a study that we have prepared here for a team yard in connection with proposed food terminal at Kansas City.

I wanted to make a very careful study of this to determine just how much in the way of team tracks will be necessary. Each of the railroad companies now has a team yard where perishable business is unloaded, and undoubtedly each of the railroad companies will continue to have just as much of the perishable business unloaded at the team yard as they can have. The question then arises as to how much of the perishable unloading will be diverted to this new team yard.

I wish you would talk with Mr. Cahill and Mr. Fryer about this, and have them develop, insofar as they can, about what the situation will be.

This team yard represents a very heavy expenditure, running in the neighborhood of possibly $275,000 for tracks, paving and drainage.

(Signed) J. L. Haugh.

[fol. 438] (Copy) (S-18)

April 15, 1937.

Mr. W. J. Shules, 870 Shrine Building, Memphis, Tenn.

Dear Mr. Shules:

I am attaching copy of study that we prepared, showing the track-lay-out for the food terminal. This is a wholesale perishable market terminal on the public levee at Kansas City, Kansas.

The main lead track is shown crossing the ramp to the wharf. This does not present a very good arrangement. We talked last night of the possibility of closing Jersey Creek, east of Minnesota Avenue Extension. If that could be done, it would be of great benefit to the perishable terminal, because then the tracks could lead directly to the streets within the jobbing house area, and the obstruction of the dike on either side of Jersey Creek would be removed.

I will have another plan prepared with the tracks running north and south, paralleling Minnesota Avenue Extension. That will not permit as great a utilization of the land for car storage as the one attached because more land and trackage will be taken up with curves.

Will furnish you copy of further study.

Yours very truly,
J. L. Haugh.

cc—Mr. G. E. Stanley

[fol. 439] (Copy) (S-18)

R-3296

Omaha, Nebr.—May 10, 1937

Mr. G. E. Stanley, Kansas City.

In accordance with Mr. Haugh's request am sending you herewith three prints each of 100 ft. scale sketch and 400 ft. scale sketch showing the suggested food and perishable terminal on the Public Levee at Kansas City, Kansas.

This plan contemplates reaching the Terminal thru the Fairfax District from the north and the purchase of right of way for trackage from the Phillips Petroleum Company substantially as colored on prints, which by scale amounts to about seven acres.

B. H. Prater.

CC—Mr. C. P. Cahill, Kansas City

[fol. 440] (Copy) (S-23)

Omaha, June 17, 1937.

Special Delivery.
Mr. G. E. Stanley:

Your letter June 15 about application to P. W. A. for grant and loan to construct proposed food terminal on the public levee:

I am willing that the Land Company should advance the necessary expenses for those who go to Washington. Am attaching voucher for $1,000 for this purpose.

We will set up the amounts advanced in a suspense account, subject to securing return of the advances in the event the project is approved. It would be well to have this understanding with the Mayor and Mr. Breidenthal in advance.

You need not go on this first trip unless especially requested.

(Signed) J. L. Haugh.

[fol. 441] (Copy) (S-28)

Omaha, June 22, 1937

Mr. G. E. Stanley:

Your letter 21st instant:

Am pleased to attach hereto excerpt from minutes of Kansas City Terminal Railway Company quarterly meet-

ing, June 15, relative to proposed perishable terminal at Kansas City.

(Signed) J. L. Haugh.

[fol. 442] (Copy) (S-28)

Excerpt from Minutes of Quarterly
Meeting, Board of Directors
Kansas City Terminal Railway Company
June 15, 1937

9. Produce Terminal

The President read the following report which was accepted as information:

"Subsequent to our letter calling this meeting, Mr. E. M. Dodds, President of the Kansas City Cold Storage & Warehouse Company and Mr. Hugh Curran, President of the North Kansas City Development Company, called on me in regard to the establishment of a consolidated Produce Terminal.

"Mr. Dodds stated he was reliably informed of a movement to establish such a Terminal in Kansas City, Kansas on the River Front close to the new Municipal Elevator and that Willard Breidenthal was at the head of this movement and was now making an attempt to secure Government funds to defray the construction expense.

"Mr. Dodds is now serving on a Committee appointed by the City Manager of Kansas City, Missouri to study and report on the location and development of a new City Retail Market and is of the opinion that a Produce Terminal would be of great benefit to the buyers and sellers of perishables at Kansas City but thinks that its location should be in Kansas City, Missouri rather than Kansas City, Kansas and suggests that the Terminal Company would be the logical company to develop and operate such an establishment. He stated that about 40,000 cars of perishables are consigned to Kansas City team tracks each year, of which 25 to 26 thousand are reconsigned for delivery beyond Kansas City, the balance 14 to 15 thousand unloaded here for local markets, and that it is desirable on the — of the merchandisers of these products that these cars be consolidated

at one point rather than scattered around town on team tracks of the various railroads.

"Mr. Dodds suggested the property of the North Kansas City Development Company, located near the south end of the ASB Bridge in the North End of Kansas City, Missouri, as a logical location for such a development and asked for my opinion as to whether or not the Terminal Company would be interested in a scheme of this kind.

"I pointed out that in order to reach the property in question it would be necessary for the Terminal Company to construct a line crossing the Missouri Pacific main line; that in my opinion such an establishment would introduce additional haul and back haul of a large number of the cars reconsigned for delivery beyond Kansas City and thereby [fol. 443] substantially increase the cost to the railroads in the handling of this traffic in addition to delaying such shipments. I explained to Mr. Dodds that this Company now has no money to finance such a development, but that his suggestions would be considered."

It was understood that the President would make further investigation and if information is developed to justify a recommendation to the Board, a special meeting of the Board will be called.

[fol. 444] (Copy) (S-29)

Declaration of Policy
About
Produce Terminal at Kansas City

The undersigned growers and producers, operating in the vicinity of Kansas City, hereby declare the need for the following market facilities at Kansas City, namely:

1. A cooperative farmers' market owned and operated by the growers and producers themselves, should be located within close proximity to a new central wholesale food center.

2. Suitable structures should be constructed to shelter and provide a good place for the display of the growers' and producers' products. There should be sufficient room for 800 or more farmers and the space provided for each

grower and producer should be at least 10'x15', or total of 150 square feet. There should be a platform to display products under the shelter or structure, together with all necessary utilities and facilities.

3. The ground should be hard surfaced or paved, properly drained and the driveways between the structures should be at least 80 feet in width.

4. Adequate parking space should be provided for buyers, transport trucks and all patrons of the producers, growers and merchants.

5. Cold and cool storage facilities should be provided for storing the products of the local growers.

6. Sufficient space should be reserved nearby for a canning plant to be cooperatively operated or operated by private capital as the growers and producers may hereafter decide.

7. The proposed central wholesale food terminal should be located on a site convenient of access to all railroads, highways loading out of Kansas City and river shipping facilities.

The present facilities at Kansas City are inadequate and we deplore the lack of facilities and the treatment that has heretofore been accorded to the growers and producers. To prevent possible future abuses and in order to assure proper conduct of the new growers' and producers' market, we insist that it be owned and operated by the farmers' themselves.

We have examined plans for the proposed food terminal on the Public Levee near the mouth of the Kaw River and hereby heartily endorse and recommend the same. We pledge ourselves to attend and patronize such facilities, if constructed and placed in operation.

Address	Name
.....	.....
.....	.....
.....	.....

[fol. 445] Farmers names on petition, which were secured by Mr. Fean.

Turner, Ks	W. G. Winegar
Turner, Ks	Milton C. Winegar
Edwardsville, Kans.	H. B. Millsap
Edwardsville, Kans.	Wm. De Fries
Muncie, Kans.	A. R. Miller
Muncie, Kans.	H. M. Way
Edwardsville, Kans.	Harry Sandburg
Edwardsville, Kans.	Willard Luttrell
Edwardsville, Kans.	Ialm Hodges
DeSoto, Kansas	Fred Morse, Jr.
Edswille, Kans.	David Hale
Turner, Kansas	C. S. Thurman
Edersvill	A. J. Brown
Argentine, Kansas RFD 2	Edw. Tucker
Argentine, Kans. RR 2	Frank Mercier
Turner, Kansas	Louis Mercier
Turner, Kansas	Andy Caignat
Turner, Kansas	Partor McCarrall

• • • • • • • •

Special Agents Note:

This list comprises nine (9) typewritten pages and contains the names and addresses of approximately 250 persons. P. F. M.

[fol. 446] (Copy) (S-18)

Union Pacific Railroad Company

Telegram

Rush

Kansas City, Mo.,
June 24, 1937

J. L. Haugh, Omaha

Breidenthal urgently requests that the City send P. W. A. application to Washington tonight which calls for a great amount of information. Please have Mr. Terrell or who ever made track estimate call Mr. Higgins by 'phone about 2 o'clock at Alonzo Gentry's office Telephone Number Harrison 6437 and give him substance of estimate. S 63.

G. E. Stanley.

[fol. 447] (Copy)

Special Delivery

Kansas City, Mo., September 2, 1937.

Mr. J. L. Haugh:

Mr. Hedrix will leave this afternoon on the 4:30 Missouri Pacific for Omaha. He prepared written report about the proposed food terminal and appears to be a little pessimistic about such terminals on the ground that the cost of constructing the terminals is excessive. He mentioned in particular that Nickel Plate at Cleveland and Erie at Buffalo wasted an enormous sum of money and I am fearful that he does not clearly understand that we would not be effected by any mistakes that the City might make on extravagent buildings.

Mr. Hedrix' report is to Mr. Jeffers and of course I did not have a copy, but in general conversation with him today, I learned that he definitely established that both the Nickel Plate and Erie had increased their traffic. He said that the New York Central was now getting back some of the business that it had lost seven or eight years ago. You will doubtless see a copy of this report and if it is not on a confidential basis, I would like to obtain a copy for our guidance.

Mr. Hedrix got Ralph Peters to take him down to the market and they interviewed several people, including Michael, Swanson & Brady owner of building, Mr. Singer, owner of building, O. C. Evans Company, owner of building, although the latter is leased and I personally know that the tenants are renewing the lease from month to month, and Ed Lorber, a commission merchant. Mr. Hedrix laid great stress on the information obtained from Mr. Lorber but I did not disabuse his mind in any way about that information. However, I call your attention to copy of article from Kansas City Star July 13, 1924 (being a recopy from the Leo A. Bodde report previously furnished you, Page 4). The article reads:

"About all the leases on the new market, the market that had been built for the farmers, were sold by Ed Lorber, a commission merchant, and Tony Girard, an ex-policeman, who represented themselves as agents for the city. Both

Lorber and Girard admitted to the police they had obtained the leases from the then deputy city comptroller, Vernon H. Greene.

"Purchasers told the police that when the new market was being remodeled that they were informed they would have to 'see' Lorber or Girard if they wanted a lease. The leases were sold for sums ranging from $1,000 to $2,500. Th city got none of this money, although the 'agents' obtained from their sale more than $60,000. The leases were sold chiefly to hucksters and small fruit dealers who believed the new market would be a gold mine as the old one had."

I hope you will have an opportunity to discuss the situation with Mr. Hedrix as he can give you many details that may have been over-looked by us in our hurried inspections at Cleveland and Buffalo.

G. E. Stanley.

[fol. 448] (Copy)

September 4, 1937.

Mr. I. G. Norton, 817 Shrine Building, Memphis, Tenn.

Dear Mr. Norton:

I am transmitting herewith copy of U. S. Department of Agriculture's market survey of Kansas City (without exhibits).

Bob told me that Mr. Schelin had notified you that the city authorized a further expenditure of $21,000 for dredging. The City has found a way to finance this additional work.

Our market proposition has advanced to the point where we are almost certain to go ahead. I think it would be a good plan for either you or Mr. Schulz to come to Kansas City in order that we can get down to something definite.

The Secretary of War will be here on September 10th and our officials will be here on the 14th and 15th, so wish you would fix a date that would not conflict with th se two prior engagements.

The financing of the market has progressed to an advance state.

I think you and Mr. Schulz should give consideration to the opening of an office in Kansas City and I would

particularly like for you to continue the employment of Robert.

Very truly yours, G. E. Stanley.

[fol. 449] (Copy) (S-18)

Omaha, September 4, 1937.

Mr. G. E. Stanley:

Your letter August 26, regarding request of Mr. W. A. Crow for plan showing direct service to the perishable warehouses by track:

The engineering department, under my direction, has made a great number of studies on this in order to develop the utmost service that could be arranged.

Study No. 12 is the most nearly practicable of any of them, and I am enclosing for your information three prints of it. It still has a number of objectionable features, however, notably:

(1) The space set aside for a farmers' market would have to be utilized for hold trackage.

(2) Much more of the city property must be absorbed by trackage, eliminating the possibility of locating other industries or further expanding the market.

(3) It would eliminate truck access to the rear of the building, which we found at Chicago, Cleveland and Buffalo, was very important.

(4) The space between the perishable buildings is reduced from 130 feet on the other plan to 95 feet. This reduction in width has been necessary in order to provide trackage. It would eliminate the possibility of parking trucks in the center of the driveway.

(5) The market will handle cars to be unloaded and sold at Kansas City as well as cars that will be sold at Kansas City and diverted to other destinations. The diversions will be at least two to one for unloads. As most of the switching and setting of cars will be handled at night, it will not be known what cars will be unloaded and what cars will be diverted. As the cars would need to be set on the service tracks, it would cause a great switching inconvenience and almost an impossibility to handle.

When we were at Cleveland and Buffalo, I asked the dealers particularly about track service, and the reply in every case was that it was much better to have the trackage adjoining as at Cleveland and Buffalo, than to have any trackage alongside the warehouses. Insofar as the dealers were concerned they thought the arrangement at Cleveland and Buffalo, which is similar to the arrangement that we are planning at Kansas City, was ideal.

(Signed) J. L. Haugh.

[fol. 450] (Copy) (S-20)

Stifel, Nicolaus & Co.

St. Louis, September 13, 1937.

Mr. Guy E. Stanley, 717 Railway Exchange, Kansas City, Missouri.

Dear Guy:

I am anxious to have your reaction and also Mr. Breidenthal's to the proposal Mr. Holloway and I left with you last Thursday. Also, I trust you will keep me fully advised about the progress being made regarding the P. W. A. grant.

I have not yet had an opportunity to discuss with my associates the marketing company proposed to be organized, but I will do so at the earliest possible opportunity and then advise you further.

With best wishes and personal regards, I am,

Very truly yours,

(Signed) R. R. Cravens, Assistant Vice-President.

[fol. 451] (Copy) (S-23)

Omaha, Sept. 17, 1937.

Mr. G. E. Stanley:

In line with our 'phone talk this afternoon, am enclosing UPRRCo. voucher No. 618911 in your favor, for $2,000 to defray preliminary expenses in connection with construction of new food and perishable terminal.

(Signed) J. L. Haugh.

Omaha, Mar. 4, 1938.

Mr. G. E. Stanley:

Am enclosing herewith U. P. R. R. Co. voucher No. 687873 in your favor, amount $2,000, for preliminary expenses in connection with proposed new Kansas City Food Terminal.

(Signed) J. L. Haugh (i)

[fol. 452] (Copy) (S-24)

September 20, 1937.

Mr. A. H. Skinner, Raleigh Hotel, Washington, D. C.

Dear Mr. Skinner:

Attached hereto are copies of wires prepared for farmers and produce men to send to Mr. Crow.

These wires may not reach Mr. Crow until in the morning as Mr. Fean hasn't returned with his wire is getting farmers sign. Mr. DeOreo has not been able to reach his committee either but will do so yet this afternoon or first thing in morning.

I am mailing you under separate cover Mr. Fean's copy of names that are on his petition circulated to the farmers. He also has several more petitions out that are not filled.

Mr. Bridenthal received a letter from Mr. Crow asking for copies of petitions that are being circulated at market and to farmers. Violet is mailing the latter to Mr. Bridenthal and I am mailing him copies requested by Mr. Crow and he in turn can deliver to Mr. Crow.

Very truly yours, G. E. Stanley.

[fol. 453] (Copy) (S-24)

Western Union Telegram

Kansas City, Kansas, September 20, 1937.

Mr. W. C. Crow, Associate Agricultural Economist, Division of Marketing Research, Bureau of Agricultural Economics, U. S. Department of Agriculture, Washington, D. C.

Undersigned members of Heart of America Food Terminal Committee represent 70 wholesalers, jobbers and brok-

ers now doing business in the dilapidated and antiquated produce district of Kansas City, Missouri. These firms and ourselves have all signed petitions favoring proposed new wholesale market of Public Levee, Kansas City, Kansas. We want suitable facilities to serve a large regional area. We also desire a market that will be free from political domination and control so practical regulations can be enforced. Stop. We assure you that in case market building can be started on Kansas side at early date, there is no chance or danger of a split market and all wholesalers will centralize and use the new market. Stop. We will sincerely appreciate your help and cooperation.

H. Widlan, 413 Walnut; H. Robinson, 415 Walnut.

(Signed) J. J. DeMaria, 306 Grand; (Signed) Simon Yukon, 405 Walnut St.; (Signed) Ike Sarser, New City Market; (Signed) Jack Defeo, 320-24 Walnut St.

Night Letter.

[fol. 454] (Copy) (S-24)

Western Union Telegram

Kansas City, Kansas; September 20, 1937.

Mr. W. C. Crow, Associate Agricultural Economist, Division of Marketing Research, Bureau of Agricultural Economics, U. S. Department of Agriculture, Washington, D. C.

We the undersigned farmers operating as a committee to secure right kind of market for Kansas City, heartily endorse proposed new market on Public Levee, Kansas City, Kansas, and confidently assert that 90 per cent of the local growers are actively supporting their plans. Over three hundred farmers have pledged their support of new market in writing and many are signing up each day. The farmers will support the new market and we want to have it ready for use at start of next growing season.

A. C. Rieke, Shawnee, Kansas RR 1; Chas. S. Risinger, Independence, Mo. RFD 3; Felix Van Schoelandt, Shawnee, Kansas R 1: Joe Van Kiersbilck, Lenexa, Kansas R 1; W. G. Winegar, Turner, Kansas RFD 2.

Day letter.

[fol. 455] (Copy) (S-24)

Western Union Telegram

1937 Sep 20 PM 2 23

WA212 9-R Washington DC 20 3 14P

Guy E Stanley 717 Ry Exchange Bldg KSC

Send air mail copies wires both committees send Crow.

Alton H. Skinner.

[fol. 456] (Copy)

Kansas City, Mo., September 22, 1937.

Mr. J. L. Haugh:

Ray James, Manager of the California Fruit Exchange, made a confidential request that I confer with Charles W. Irgang at Chicago as soon as possible. Mr. James explained that Mr. Irgang had written him about the possibility of an auction in Kansas City and that Mr. Irgagn will doubtless talk to Paul Armstrong who is in Denver today and will go direct to Chicago tomorrow afternoon. Mr. Armstrong will be in Chicago until about Wednesday or Thursday of next week.

Mr. James is personally in favor of an auction market in Kansas City. He does not want anyone to know about his private opinion, but thinks that if Irgang feels that he had a chance to get the auction, that Irgang would influence the opinion of Paul Armstrong.

I promised Mr. James that I would leave here either Friday night or Sunday night and see Mr. Irgang at Chicago either Saturday or Monday. I also promised that I would not involve Mr. James in any way.

I have in mind explaining to Mr. Irgang just what facilities are immediately planned on the Public Levee and request him to study the auction possibility and in case he finds that conditions are right for an auction, that we would like to have his suggestions as to the type of building to be constructed. It would also be necessary to apply some interest in seeing that Mr. Irgang and his associates have preference.

Do you want to join me at Chicago and if so what day would you prefer? Please wire if you will join me in

Chicago and also if it is satisfactory for me to carry out my promise to Mr. James.

G. E. Stanley.

[fol. 457] (Copy)

Kansas City, Mo.,
September 28, 1937.

Mr. J. L. Haugh:

As stated to you over the telephone today, I conferred with Mr. James Armstrong, General Manager of P. F. E., Mr. Feakins and Charles W. Irgang at Chicago yesterday.

Mr. Armstrong accompanied me in my conference with Mr. Irgang.

Mr. Irgang is essentially an auction man but is very familiar with general market conditions. He talked with great familiarity about different markets and I formed the opinion that he has a national marketing mind and is a thoroughly competent man. He is reported to be very successful in a business way.

Mr. Irgang is acquainted with conditions at Kansas City. He mentioned fact that the Santa Fe men had talked to him and also referred to a Mr. Miles, who represents the Texas growers, having talked to him about the Kansas City market. He also mentioned that some banking representative had talked to him about a bond issue of about $3,000,000.

We pointed out to Mr. Irgang that the Union Pacific would not own and would not operate the market, but that the City itself was in a position to furnish the land and was authorized by law to issue tax free bonds on a very favorable basis. Mr. Irgang then inquired about what rights could be acquired by the merchants stating that it was very desirable for the merchants to become eventual owners of their own units. I told him that it was the plan to limit the use of all units to people engaged in the produce industry and while approval of the operating company and merchants committee would precede any assignment, the contract would probably provide that consent would not be unreasonably withheld.

The next feature we discussed with Mr. Irgang is the market layout itself. He is very partial to a plan for direct loading from car to stores, although he condemned the saw tooth arrangement. He drew some sketches and as near

as I could understand them, he favors a right angle approach to the stores and recommends that the units be quite narrow with at least 50 feet wide facing both front and rear platforms. He said that the cartage charge in Chicago averaged 7 cents a package and that it was handled twice, so that amounts to an average burden of about $100 per car. Mr. Irgang said he was not interested in any way in the St. Louis auction, which he claimed was under "Jewish control." He referred to what would happen in the next ten years and the trends in markets and reiterated time and time again that it was necessary to work out an ideal handling situation. He offered his cooperation and advice and then recommended that I talk to Paul Armstrong at the Palmer House and arrange through him a meeting with Mr. DeGeorgio in New York City. After Mr. James Armstrong and I left the meeting, we both agreed that it would be advisable to have our Omaha office handle that suggestion and [fol. 458] make the appointment with Mr. DeGeorgeo and Paul Armstrong. According to Mr. Irgang, Mr. Paul Armstrong is now awaiting the return of Mr. DeGeorgeo from a European trip and the latter will arrive in New York about the 7th day of October. Mr. Irgang urged us in particular to talk to these two people and said that our talk should not be confined to auction alone but the whole plan and operating scheme of the market. Mr. Irgang does not discount the Kansas City market and is regard all of his advice and suggestions as entirely friendly.

Mr. Irgang complimented the Santa Fe Railroad highly. He said that their layout in Chicago had proved of great benefit to the Santa Fe. He remarked that the Santa Fe could get some hauls out of Kansas City. I told him that we had conferred with Santa Fe officials at Kansas City and regarded their attitude as favorable to the new market plan here.

Mr. James Armstrong is favorable to the suggestion of having a meeting with Mr. DeGeorgeo and Paul Armstrong in New York. He said that he would join in the meeting if his presence were desired. Mr. Irgang appears to be a very good friend of Mr. James Armstrong.

G. E. Stanley.

CC—Mr. James Armstrong

[fol. 459] (Copy) (S-20)

October 6, 1937

Mr. R. R. Cravens, Stifel, Nicolaus & Company, St. Louis, Missouri.

Dear Mr. Cravens:

Confirming my conversation with you today, I will briefly outline the situation relative to proposed food terminal on the public levee of Kansas City, Kansas.

You have been previously advised that the City has heretofore entered into thirty year leases with parties named below at annual rentals set opposite the name of each, namely:

Hart-Bartlett-Sturtevant Grain Co., Average per annum	$52,912
Union Pacific Railroad Company, Minimum guaranty per annum	10,000
Inland Waterways Corporation	9,000
Board of Public Utilities, operator of municipal water and light plants, Kansas City, Kansas	5,200
Union Pacific Railroad Company and Missouri Pacific Railroad Company, jointly	3,000
Other leases will aggregate an average of $3,000 per annum but should be listed at	5.00
Total	$80,612

The City has been authorized by law to refund its outstanding bonds in the principal sum of $1,054,000, being the bonds now owned by P. W. A. New improvements contemplated by the City, exclusive of sewer and paving work, will cost about $1,500,000. The City has application pending for grant in the amount of about $500,000, so it is planned to raise $1,500,000 or approximately $1,000,000 by sale of revenue bonds, the amount to be determined after P. W. A. acts on pending application for grant.

The Union Pacific Railroad has carefully studied the need for a food terminal in the Kansas City market. On last

[fol. 460] Saturday, October 2nd, our Executive Committee authorized the leasing from the City of that part of the public levee north of Jersey Creek (about 26 acres) for a period of 99 years at annual rental of 1 cent per square foot per annum, and in addition thereto authorized our officials to execute a guaranty of the obligation of the Market Company in an amount sufficient to meet the service charges of proposed revenue bond issued over and above leases now held by the City as listed above.

If your company would therefore examine and approve the existing leases, it would then be in order for us to get together with the City on terms of lease of land north of Jersey Creek and the form of suggested guaranty. I am not authorized to make any agreement regarding this matter, but am writing so that you will understand that this subject is receiving the executive consideration of the Union Pacific Railroad Company.

Mr. W. J. Breidenthal, who is working with the backers of the proposed Terminal Market Company, has suggested that the proposed Terminal Market Company enter into agreement with the City to purchase the revenue bonds and in turn contract the sale of the bonds to your firm on the basis previously discussed with you. Mr. Breidenthal desires this arrangement in order to establish prestige for the proposed Terminal Market Company in his further dealings with the city. He is of the opinion that such an arrangement would materially assist in completing arrangements with the City.

We will be interested to know that a good sound leasing arrangement has been worked out and success of the market assured; otherwise, this company would not furnish the guaranty or any financial assistance.

Very truly yours, G. E. Stanley.

[fol. 461] (Copy) (S-18)

Omaha, October 13, 1937

Mr. B. H. Prater:

In connection with the development of plans for the Kansas City, Kansas, food and perishable terminal:

Mr. Crow of the Department of Agriculture, who was appointed to study the matter for the Department, has taken exception to the fact that no trackage is provided to serve the dealers' stores. He is quite insistent that trackage be pro-

vided. We have pointed out to him that trackage is not provided at Cleveland and Buffalo, which are the latest markets to be built, and he counters with the statement that this is the principal defect of those markets.

We need the cooperation of the Department of Agriculture, and naturally we wish to have the terminal at Kansas City be the last work in convenience and economy.

There is a trucking charge assessed at several of the present markets, amounting to seven cents per package of fruit handled, and it is probable that this trucking charge is passed on to the grower. Several ways to meet the situation have been suggested, none of which appealed to me as being satisfactory. I have agreed that we would have a study made by a committee, and endeavor to arrive at the best plan practicable.

Either Mr. Gentry or Mr. Voskamp, of the architectural firm of Gentry, Voskamp & Neville of Kansas City, will represent the architects. Major Schultz, Consulting Engineer, of St. Louis, is the engineer of the project. Then, we should have a man from the Union Pacific. Would like to have Mr. Terrill if he can be spared. They will need to visit the markets at St. Louis, Cleveland, Buffalo and Detroit to develop the obstacles or benefits at those markets, and then make any recommended change that they consider advisable for the Kansas City lay-out.

The great difficulty of having track adjoining the dealers' stores is that the dealers receive from one to fifteen cars each day, and it is impossible to spot all the cars or even a large portion of them at the dealers' stores. It seems quite impracticable to spot at the dealer's house even those cars from which he will want to unload a part of his produce as he will have several cars of this kind of produce, and will wish to unload only a part of each car into his store. The balance, constituting about 80% of the freight received, for unloading, will be delivered directly from the car to the retail store, and not pass through the dealer's house at all.

I would suggest that this trip be started Sunday night, so that the engineers can meet in Chicago on Monday. Would like to have them call on Mr. Charles Irrgang, there, on that day. He is President of the Auction Sales Company of Chicago, and has some views on how track service can be arranged.

J. L. Haugh.

[fol. 462] (Copy) (S-18)

Walter F. Schulz

Memphis, Tennessee, October 22, 1937

(Pencil note: Mr. Haugh, This does not look good to me. 10-23 G. E. S.).

Mr. G. E. Stanley, Executive Asst., Union Pacific Ry., 717 Railway Exchange Bldg., Kansas City, Missouri.

Dear Mr. Stanley:

Since our conference in Kansas City last week regarding the Food Terminal, I have not been able to get the subject of a general plan out of my mind. In fact I have been working on it practically continuous since that time and I am enclosing a print of a plan which I have developed after you cited your experience and information gained during your trip to Chicago and New York with the officials of the California Fruit Cooperative Association, as well as others engaged in the wholesale distribution of food products.

This study provides for four buildings about 600 feet in length, located at the North end of the levee track. Each building, served by tracks adjacent to a platform so that food products may be unloaded from the cars to the house or to trucks on adjacent roadway. This meets Mr. Crow's idea of having trackage adjacent to produce houses. Additional trackage will be provided South of these buildings and the switching of all tracks will also be from the South. Practically each track will be provided with a covered platform so that food products can be loaded either into trucks standing on the roadway or into small trailer trucks, operated singly or in trains pulled by a tractor. Trailer trains can move to any car or any section in building more rapidly than any truck operated in the streets. This system of handling food products by means of these trailer trucks with rubber tired roller bearing wheels have been in use some twenty years in connection with the river and rail terminal service of the Federal Barge Line. Smooth covered platforms to be provided at each building and adjacent to tracks so that any section in the building or cars spotted along platform can easily and quickly be reached. These trailer trucks have automatic coupling and can be run into a car.

The Auction and Cold Storage buildings are located

on the South end of the Produce Building "B." This location makes this facility readily accessible to all produce houses, tracks and the Farmers' Market. The Auction House and Cold Storage is also provided with direct trackage.

[fol. 463] The switching of this terminal is done entirely from the South and each facility is switched in the same direction. The running or lead tracks of this set up are connected at the North to the U. P. tracks with a grade crossing of Minnesota Avenue just beyond the North boundary line of the levee property. At the South end, a lead track is connected to the switch, now provided just North of the Missouri Pacific crossing.

The Farmers' Market is located at the South end of the levee tract just below the grain elevator conveyor gallery to the Dock. The grain dock to be served with trackage as heretofore planned.

This entire scheme is, of course, an ultimate study and all the facilities shown will not be needed at this time with the possible exception of Cold Storage and Auction House. Ample widths have been provided for all facilities and roadways with exceedingly liberal space for parking, which was frightfully lacking at the Buffalo and Cleveland Food Terminals.

Again this scheme eliminated switching across Minnesota Avenue at the North end, as all the spotting of cars will be done on the lead track on the levee property. The entire track layout is based on the use of No. 9 turnouts with 7 degree and 30 minute curves as maximum. This scheme also separates the Farmers' Market from the Food terminal so that each can be operated as a separate unit. The entire property permits of fencing in.

The levee tract North of Jersey Creek has rather stable soil and I believe, after the sand fill has been made, the building can be erected without pile foundations, using a continuous spread footing with low soil pressure per square foot. Very little property is needed from the Phillips Oil Company.

Jersey Creek, of course, will have to be enclosed in a culver just like any plan development on this site.

This plan is drawn on the scale 1" equals 100' and is not a finished plan, but sent to you as a study and information.

I am sending you two prints so that you can mail one to Mr. Haugh, if you think sufficiently well of this study.

I am working on another project along similar lines, but with somewhat different building arrangements and will mail it to you as soon as it is completed.

Yours very truly, (Signed) W. F. Schulz.

[fol. 464] (Copy) (S-18)

Omaha, Oct. 25, 1937.

Mr. G. E. Stanley:

Am returning Mr. Schulz' letter of Oct. 22 to you, enclosing another proposal to meet Mr. Crow's trackage suggestion at the new terminal.

There are certain things at this terminal that must be kept in balance. One is that only 40% of the cars handled at the terminal will be unloaded. Another is that 80% of the cars unloaded will be unloaded directly from cars to trucks and thence, without further handling, delivered to retail stores in the business and residential sections of the city.

A reasonable estimate of the number of cars to be handled at the terminal is 25,000 per annum. Using the above percentages, these would divide as follows:

To be unloaded and handled into the stores of wholesale dealers	2,000 cars
To be unloaded and trucked directly to retail stores	8,000 cars
To be set on te-m tracks, inspected, sold and diverted	15,000 cars
Total	25,000 cars

Mr. Schulz' proposition is prepared to especially accommodate the 2,000 cars, with only modified accommodation for the 8,000, and with no accommodation for the 15,000. Our original plan gave particular emphasis to the provisions for the 8,000 and the 15,000, leaving the 2,000 cars to bear the expense of handling from the team yard to the wholesale dealers' stores.

I developed a plan with Mr. Terrill, and he has a blueprint of it with him, which will give a much better balance and still provide trackage at the dealers' stores. This trackage will approach the stores only from the North.

(Signed) J. L. Haugh.

[fol. 465] (Copy) (S-18)

At Los Angeles, November 1, 1937.

Mr. G. E. Stanley:

In connection with construction of the food terminal, am writing you out of abundant caution regarding Union Pacific contract with the city in connection with any guaranty we might make of interest on and amortization of revenue bonds, that provision should be made that guaranty be limited to a certain amount necessary to make up the balance and that all net income in excess of a fair return on capital that may be invested in the stock of the market operating company shall be applied cumulatively against the interest and amortization charges.

I will also keep this in mind and talk with you about it the next time that I see you.

(Signed) J. L. Haugh.

[fol. 466] (Copy) (S-20)

November 1, 1937.

Mr. R. R. Cravens, Stifel-Nicolaus & Company, St. Louis, Missouri.

Dear Mr. Cravens:

The terminal plan in Kansas City, Kansas, has reached such a stage where a financing plan must be worked out. You have addressed a great deal of attention to this matter and while I have no official connection with the City, I have held the matter up for the exclusive consideration of your firm. I personally feel that you are well qualified to handle the issue and any future financing required.

I can definitely state that the Union Pacific will not increase its commitment, but there should be no objection to a plan whereby the market company will apply all earnings in excess of reasonable return on its capital to the retirement of the bonds.

It will be appreciated if you will give immediate consideration to this matter and advise if you will be interested; otherwise I should, in fairness to the City and the people who are sponsoring the market, suggest that they look elsewhere for financing.

I regard Mr. Foster as a very splendid bond man and fully appreciate that the salability of the bonds is a matter on which he will have to pass. However, it is some consolation to know that the deal is sound and I am still hopeful that the bonds can be sold on the basis offered, also that the underwriter would have a fair profit.

With best personal regards, I am

Very truly yours, G. E. Stanley.

[fol. 467] (Copy) (S-20)

Stifel, Nicolaus & Co.

St. Louis, November 3, 1937.

Mr. Guy E. Stanley, 717 Railway Exchange Bldg., Kansas City, Missouri.

Dear Guy:

In reply to your favor of November 1st, I want you to know that I deeply appreciate the consideration shown us regarding the proposed issuance of Revenue Bonds of Kansas City, Kansas.

Since you and Mr. Breidenthal were here, Mr. Forster and I have discussed this financing pro and con and I am now convinced that the Public Levee Revenue Bonds of Kansas City, Kansas, as tentatively set-up are not saleable. My reason for this conviction is that practically one-third of the revenue which would be definitely available for the payment of principal and interest of the Public Levee Revenue Bonds at the time of the offering of such bonds would have to come from the lease of the grain elevator on this property. In this connection we have had occasion to check up on some "elevator bonds", since your visit, and their history is far from good. For example: 6% bonds of Chicago Elevator Properties, Inc., are selling at 43½-45½; 6½% Bonds of Superior Elevator Property, Buffalo, N. Y., are selling at 17¾ and the 6½ Bonds of Dakota Elevator Properties, also of Buffalo, N. Y., are selling at 6 Flat. From this you can see that grain elevator bonds are not in very good repute or demand, and certainly any prospective purchaser of your bonds would carefully check up on elevator bonds in arriving at a conclusion as to the security behind these bonds.

If anybody can work this financing out successfully we

feel that we can, and inasmuch as the Union Pacific Railroad Company will be the chief beneficiary under this program, and also inasmuch as you and Mr. Breidenthal seem to have every confidence in the program, as well as in the present existing leases, we will be greatly disappointed if we are not given a further opportunity of discussing this with you, with the hope of being able to agree on a plan that will make these bonds both sound and saleable.

If you think it worthwhile I will be glad to come to Kansas City and discuss this further with you and also other Union Pacific officials, if you deem this advisable.

Again assuring you of my appreciation of your consideration, with personal regards, I am,

Very truly yours, (Signed) R. R. Cravens, Assistant Vice-President.

[fol. 468] (Copy)

Omaha, November 17, 1937.

Mr. G. E. Stanley:

Your letter Nov. 15, enclosing clippings regarding market plans at Kansas City, Missouri:

I understand that the dealers are almost unanimously in favor of the Kansas market plan. I doubt very much if we can hold this interest very long unless some definite progress is made. If, before we do make progress, the Missouri Administration completes their plans and makes leases, many of the dealers may get tied up in such a way that they will not want to move. A good deal of pressure is going to be brought on these dealers by the Missouri Administration, and unless they are tied up on leases on the Kansas side, we may have a good deal of difficulty by a long deferment.

(Signed) J. L. Haugh.

[fol. 469] (Copy) (S-18)

Omaha, Nebr.—November 20, 1937.

Mr. G. E. Stanley—Kansas City.

Herewith four prints of drawing 53262, dated November 12, 1937, showing plan for proposed Food and Perishable Terminal at Kansas City, Kansas, as discussed at conference in Kansas City last week, which was attended by Messrs. Haugh, and Terrill.

You will note this plan shows by dotted lines possible future tracks to directly serve the produce buildings. Mr. Haugh advises me that he has discussed with you the impossibility of providing satisfactory switching service if the tracks behind the produce buildings are provided.

Sufficient prints are attached so that you may have one for your file and one each for Messrs. Gentry, Schulz and Crow.

B. H. Prater.

CC—Mr. H. C. Mann
Mr. J. L. Haugh
Mr. C. P. Cahill—Kansas City.

[fol. 470] (Copy) (S-20)

Stifel, Nicolaus & Co.

St. Louis, December 7, 1937.

Mr. Guy E. Stanley, 717 Railway Exchange Bldg., Kansas City, Missouri.

Dear Guy:

We are attempting to prepare a circular on the Kansas City, Kansas, Public Levee Revenue Bonds, but I find that we have insufficient information in our files to go ahead with it.

We should like to have the following information:

1. Detailed statement showing the cost of the grain elevator, docks and other improvements now on this property.

2. Amount of the original P.W.A. Grant in connection with its $1,054,000 loan.

3. Statement of what the city has expended for filling in this property and providing street, water and lighting facilities.

4. Estimated cost and description of the perishable food market and trackage built on this property, or rather to be built on this property.

5. An estimate of rents to be derived from the proposed perishable food market and other proposed facilities, in which connection we should also like to know whether each lessee is to service his own lease,—in other words, is each lessee to pay insurance, upkeep and repairs

and the different services, such as heat, water and light presumably to be furnished with the facility.

6. Is the aggregate amount of the rentals of both existing and proposed improvements available as a net sum for the service of the proposed bond issue, or is it contemplated that certain expense, such as supervision, heat, light, water, audit fees, etc., be charged to or deducted from the rentals in determining the amount available for payment of principal and interest of these bonds? If any expenses are to be deducted from the rentals, please let us have a detailed estimate of such expenses.

I hope this isn't an imposition and also that it may be convenient for you to let us have this information at the earliest possible time.

(Signed) Wuss.

[fol. 471] (Copy) (S-20)

December 9, 1937.

Mr. R. R. Cravens, Stifel, Nicolaus & Company, St. Louis, Missouri.

Dear Mr. Cravens:

Answering your letter of December 7th, in which you asked for detailed information under six subdivisions. In the order set out in your letter, the answers are as follows:

1. Attached is a copy of statement furnished by Mr. Skinner which gives all figures, except it is not separated to show cost of elevator, dock, filling, etc.

2. The exact amount of the P.W.A. grant has not been fixed as you know the P.W.A. audits material and labor bills but attached statement gives all information available.

3. The filling in of the property was a part of the P.W.A. project, except that the city issued its general obligation bonds to the extent of about $22,000 to do a complete job. That item is shown on statement as "Grantee Bonds (WPA $22,000.)" Minnesota Avenue or street and bridge across Jersey Creek were constructed independent of public levee P.W.A. project enumerated above. The total cost was $230,000, of which Phillips Petroleum paid about $40,000, railroads about $25,000 and the balance was paid

as a benefit to the city owned property, for which general obligation bonds were issued.

It is necessary to widen Minnesota Avenue as a part of the market project and the present estimate on the cost of widening it is $68,200, which will be paid for by the City. As a part of this Minnesota Avenue improvement, federal money has been allocated for the new viaduct to be designed by Sverdrup and Parcel and you may obtain an estimate of the cost of the new viaduct by inquiring at their offices in St. Louis.

3. Water and light facilities have not been constructed on the public levee, but the water mains will be installed [fol. 472] by the Board of Public Utilities and paid for out of their own funds. The same applies to lighting and I roughly estimate that both water mains and lighting will require an expenditure of about $75,000.

In addition to the above city will expend $100,000 for sewers on the public levee, as authorized by Chapter 149, Laws of Kansas, 1937.

4. I attach copy of two statements prepared by Mr. Haugh, which will fully answer this question, except the railroad facilities to be constructed by the railroad company are estimated to cost $464,275, and trackage cost is not shown on statement.

5. This refers to estimates of rents to be derived from proposed perishable food market. I attach copy of Mr. Haugh's estimate of operating results of proposed operating company, but in connection with this wish you to understand that expenses enumerated by him will be absorbed on prorata basis by the lessees as has been done in other markets.

6. The answer to question 5 will probably answer this question.

The above information has been assembled hurriedly in order to answer your letter today, but I believe it is sufficiently accurate for your immediate purpose.

I regret very much that Mr. Forster has been ill and will appreciate if you will convey him my sympathy and best personal regards.

Our Contract Department is now preparing forms of leases and other documents that will be of considerable in-

terest to you. When I receive a draft of same I will forward them to you.

We want to make early progress on this deal and your early consideration will be very much appreciated.

I attach copy of letter received by Mr. Skinner from Charles B. Henderson, Director of R. F. C. and you will note that the same is fully self explanatory.

With best wishes, I am

Very truly yours, G. E. Stanley.

[fol. 473] (Copy) (S-18)

Omaha, Dec. 10, 1937.

Mr. C. P. Cahill:

Am attaching letter from Mr. Walter F. Schulz, together with print attached of a suggested revised layout for the perishable terminal at Kansas City. Would like very much to have you check this over, and advise, with return of attachments, if in your opinion it has advantages over the initial plan.

I attended a meeting of the engineers, including Mr. Crow of the Department of Agriculture, at Kansas City recently. Mr. Crow is quite insistent that trackage be provided to serve the buildings. I told them that it would present an impossible switching arrangement; that is, that it would be impossible to spot at the door of each dealer all of the cars that dealer would receive at the market. Some dealers would receive only one car. Many of them however, would receive from one to fifteen cars. We would be giving 100% service to the dealer receiving one car, and 10% service to the dealer receiving 15 cars. We would have dissatisfaction on the part of the larger dealer. Further, it would almost be impossible to spot all these cars at the doors of a longitudinal house, because the cars are not all received at the same time, and to spot the cars at the doors of the house would mean a continual disturbance to unloading.

The other way would be to not spot the cars until the following day, but this, too, would not be satisfactory to the dealer.

I arrived at the conclusion, therefore, that the switching to a longtudinal house could not be accomplished with any satisfaction to the dealers; that the dealers, who are our

shipper would, of course, come to the Union Pacific with their troubles and that we would have dissatisfaction from the date the market was open continuously and forever after. I stated that I was not willing to place the Union Pacific in this position, and would even rather entirely forego building the market.

Mr. Schulz has now prepared this plan attached, which looks a little better, although it would be impossible to place on the track serving the houses more than a small proportion of the number of cars to be unloaded each day.

Will appreciate it if you will look over this plan carefully, and let me have the benefit of your ideas.

In our present team yard, we now handle more than 200 cars a day.

Will appreciate it if you will take one of these days as representative and ascertain how many unloads and how many diversions there are.

Also ascertain:

(1) If we had any advance knowledge of cars which were to be unloaded and which were to be diverted.

(2) How long after the cars were received, before we received notice of diversion.

(3) What proportion of these diverted went to consignees other than the ones for whom the car was received.

J. L. Haugh.

[fol. 474] (Copy) (S-20)

December 13, 1937.

Mr. R. R. Cravens, Stifel, Nicolaus & Company, St. Louis, Missouri.

Dear Mr. Cravens:

Referring to conversation over the telephone today, I find that I mailed you with my letter of December 9th, statement headed "Suggested Financing of Proposed Produce Market and Terminal, Kansas City, Kansas." When the statement was prepared by Mr. Haugh on September 27th, the cost of filling additional land was then estimated by the City at $21,000. However, the work has

already been completed and actually cost $22,000, for which the City has issued and sold its bonds.

I have searched my file and am unable to locate a breakdown on the estimated cost of construction of proposed buildings, but in estimating the cost, interest during course of construction was carried at 4 per cent on the entire cost. Architect's fees amounted to 5 per cent and the customary 10 per cent contingency item was also carried into the estimate.

Since the estimates were made in the early spring of this year, there has been some reduction in the cost of building materials and I have always regarded the estimated cost as too liberal.

As stated to you over the telephone, the City will obligate itself to install paving, water mains and street lighting. It will also obligate itself to spend $100,000 toward the cost of sewers, or the maximum allowed by law.

I find that the water mains are estimated to cost $41,188.00 and the street lighting $30,000.

Just as soon as I can find the time, I will put all of these figures into a narrative which may be helpful to you in the preparation of a suitable prospectus.

I understand you to say over the telephone last Saturday that you expected to be in Oklahoma City and would probably return via of Kansas City. In case you plan on being here, I will appreciate one day's notice in order that I can arrange my time accordingly.

With best wishes, I am

Very truly yours, G. E. Stanley.

[fol. 475] (Copy) (S-20)

Omaha, Dec. 17, 1937.

Mr. G. E. Stanley:

Thanks for your letter of Dec. 15.

In order that you may have it for your files, am returning to you Mr. Skinner's letter of Dec. 7 and copy of Mr. Charles B. Henderson's letter of Dec. 2 in which the R. F. C. agrees to sell the elevator bonds to the city.

Am retaining the memorandum from Mr. Crow together with the sketch of a new plan for the perishable market.

(Signed) J. L. Haugh.

[fol. 476] (Copy) (S-18)

Union Pacific Railroad Company

Telegram

2gnca

Omaha 845AM Dec 23, 1937

G E Stanley KC

I can be in Kansas City on Monday and Tuesday 27 and 28. During that time I would like to meet with Mr. Cahill and our own people about layout for perishable food terminal and then later meet with various interested engineers. Suggest nine AM Monday for meeting our own people in Cahills office, and 1230 same day for meeting with Gentry, Voskamp, Schulz and Cahill. Higgins and you should be at both meetings. Also consider Crow and City Engineer. Will leave that to you. If Tuesday is more satisfactory that day will be acceptable. Please contact all parties and advise. J-98.

J L Haugh
907AM

[fol. 477] (Copy) (S-31)

Omaha, January 5, 1938.

Mr. G. E. Stanley:

I will appreciate it very much if you will review the attached draft of lease from the city to the Union Pacific for land for team yard.

This lease is based upon the railroad paying a fixed rental beginning on the date that the city actually lets contracts for construction of the perishable market.

I wired you about this matter today. If we could get by with the guaranty only, it might save the rental for the period of the bond issue.

We will, of course, have to define the construction contracts, because certain contracts have already been made and already completed, such as the one for filling the property. There will be many contracts; some of them not made until the project is almost ready for occupancy.

Would like your suggestion for any other description of the effective date of the lease.

In Section 7 it is provided that the guaranty in the elevator lease be dropped as soon as this guaranty is completed. This section is superfluous, because the last paragraph of Section 6 of the elevator lease provides for automatic termination of the guaranty when;

(1) The rentals exceed $80,000 per annum; and

(2) When the specific loan from the P.W.A. is taken up.

Both of these conditions will have been accomplished when the new market is started. However, Mr. Bennewitz has put in the section in order to call our attention to this matter, and we will have to cover it in some way because, I am sure if we omitted it and let Section 6 of the old agreement cover, we would be showing bad faith to the city.

I would like to have you advise me the detailed annual rental, by items, that the city now has on the public levee.

Please do not hesitate to offer suggestions. When you make suggestions, please give us the exact wording for them.

As the Union Pacific will be guaranteeing a large annual sum for interest, it should have the power of correcting a situation that might result from incompetency of management. As the city commission is not constituted I would have no fear at all of anything but the most effective and efficient management of this terminal. However, our agreement [fol. 478] extends far beyond the official lives of the present incumbents, and it is conceivable that a government might come into power that would be just the opposite. I am thinking of the time when Bill Pratt had control, and of the tribute that his reign would have exacted from anybody who had anything to do with the market. To cover this, I have in mind that during the effective period of the guaranty the city should agree to remove the manager or any other employe attending the market, upon request from the Union Pacific in writing. It might be well to further provide that the manager of the market would be appointed by the city, with the concurrence of the Union Pacific. This clause should not operate to give the Union Pacific control of the market in any way, but should rather give the Union Pacific a veto and corrective power in the event the market was inefficiently operated.

We might, also, include in this same agreement the trackage agreement covering the tracks serving the warehouses

which will be built and owned by the city. In that agreement, we will need to set out the understanding that the Union Pacific may not be able to spot cars at the houses until the next morning after the cars are received and order is received from the consignee for such spotting, and further that there will be a premium charge for switching to these building that will be covered by tariff.

Please return the attached draft with your reply.

(Signed) J. L. Haugh.

cc—Mr. J. A. Bennewitz.

[fol. 479] (Copy) (S-31)

This Agreement, made and entered into this — day of —, 1938, by and between the Union Pacific Railroad Company, a corporation of the State of Utah (hereinafter called "Union Pacific") and The City of Kansas City, Kansas, a municipal corporation of and organized under the laws of the State of Kansas (hereinafter called "City"), witnesseth:

Recitals:

The City is the owner of a tract of land consisting of approximately 102 acres abutting upon the banks of the navigable Missouri River in Wyandotte County, Kansas, said tract being known and designated as the "Public Levee" and being shown outlined by — lines on the print hereto attached, dated —, marked "Exhibit A" and hereby made a part hereof.

The City has planned the development on the Public Levee of a river and rail terminal. As a part of said plan, the City has constructed thereon a grain elevator in the location shown outlined by — lines on Exhibit A and has constructed adjacent to the same certain trackage for the purpose of serving said grain elevator. Said grain elevator has been leased to the Hart-Bartlett-Sturtevant Grain Company by lease dated, 1936, for a term of 30 year beginning June 15, 1936. By agreement dated February 1, 1936, the City leased said trackage to the Union Pacific and the Union Pacific agreed to maintain and operate the same subject to the terms of said agreement.

Said elevator and trackage were constructed under a loan and grant agreement between the United States of

America and the City and, pursuant to said agreement, the City issued revenue bonds totalling $1,054,000.00.

In furtherance of the plan to develop said terminal, the City will establish on said Public Levee a wholesale dealers' and farmers' perishable food products market, said market being hereinafter designated as "Food Terminal". The City desires that the Union Pacific construct for convenient service to said Food Terminal a perishable team track yard in the location hereinafter described and has offered to lease to the Union Pacific necessary land therefor.

Agreement:

Now therefore, it is mutually agreed by and between the parties hereto as follows:

Section 1. The City will construct and thereafter during the term hereof, maintain and operate the Food Terminal. [fol. 480] The location of the Food Terminal is shown outlined by — lines on the print hereto attached dated —, marked "Exhibit B" and hereby made a part hereof.

The City will

(a) widen Minnesota Avenue in the location shown shaded in — on Exhibit B and pave such additional strip and will establish and pave streets within the limits of the Food Terminal in the locations indicated on Exhibit B;

(b) Install necessary sewers and pumps and pump houses for sewerage;

(c) enclose Jersey Creek in the location as shown on Exhibit B; and

construct the following Food Terminal buildings:

1 two-story and basement building containing 22 dealers' units and 50 offices;

3 one-story and basement buildings; farmers' market umbrella sheds and platforms for 500 stalls;

install farmers' market sewers and construct necessary pavement for farmers' market.

All of said improvements are indicated on Exhibit B.

The City will also cause water mains to be constructed and necessary installations for lighting and power service for said Food Terminal to be established.

The estimated cost for the establishment of said Food Terminal, other than the cost for water mains and lighting and power service installations, is $1,901,107.00.

It is understood that the filling, street improvements and construction of farmers' market, all as hereinbefore in this section described, will be paid for out of general obligation; bonds of the City to be issued to cover such expense. The remaining amount of the estimated cost of said Food Terminal, not including water mains and electric service installations, is $926,711.00, which shall be taken care of as hereinafter provided by P.W.A. grant, if same can be obtained, and the issuance of revenue bonds.

[fol. 481] Section 2. The City will establish reasonable rentals for said wholesale dealers' market and farmers' market and will use its best endeavor to lease same and keep same leased, to the end that revenue derived by the City from said Food Terminal and the aforesaid elevator plus all other revenues received by the City for rental for premises, both with and without improvements, on the Public Levee will be at a minimum sufficient to amortize the bonds to be issued by the City as hereinafter provided plus interest on said bonds.

Section 3. The City has applied for a grant from the United States Public Works Administration to assist it in financing the establishment of said Food Terminal other than those parts thereof that are to be financed through the general obligation bonds of the City and other than the water mains and electric service installations.

The City will issue, and arrange for the sale of its 30 year revenue bonds to cover the cost not covered by said grant of said portion of said Food Terminal or the total cost of said portion if said grant is not obtained, and also to enable it to take up its outstanding revenue bonds in the amount of $1,054,000 as aforesaid.

Section 4. For and in consideration of the payments to be made and the covenants and agreements to be performed by the Union Pacific as set out in the next succeeding section hereof, the City hereby leases to the Union Pacific for and during the term of this agreement, commencing on the date the City notifies the Union Pacific in writing that it has made a contract or contracts for the construction

of said Food Terminal and continuing thereafter for the term of this agreement, the following described land on said Public Levee to be used by the Union Pacific for the construction of a perishable team track yard:

Copy description

Containing an area of 24.7 acres, more or less; said premises being shown outlined by — lines on Exhibit B.

Section 5. For the use of the premises leased to the Union Pacific by the City as hereinbefore described.

(a) The Union Pacific will, during the term of said lease pay to the City an annual rental of $10,760.00, payable annually in advance beginning on the effective date of said lease, said rental representing one cent per square foot for said leased premises; and

(b) The Union Pacific will guarantee the payment in any year of such part of the annual interest on a maximum of $2,000,000.00 of said revenue bonds as shall exceed [fol. 482] $—— if said P.W.A. grant be obtained and $—— if same be not obtained in the event the City shall be unable out of gross revenues as aforesaid of the Public Levee to pay such excess after putting aside an amount representing amortization of said maximum amount of bonds applicable to such year; provided, however, that if in any one year the Union Pacific shall have paid to the City any amount representing interest on said bonds, then if in any year or years thereafter gross revenues of the City from said Public Levee shall exceed the annual amount necessary for amortization of and interest on said maximum amount of bonds, the City shall pay over to the Union Pacific such excess up to the maximum amount the Union Pacific shall have theretofore paid toward such interest.

It is specifically understood and agreed that the City will absorb and hold the Union Pacific harmless from the payment of any and all assessments now or hereafter assessed against the leased land, or any part thereof, or any interest of the Union Pacific therein; that the City will levy no taxes upon said land or the interest of the Union Pacific therein and will hold harmless the Union Pacific from and against the payment of any other taxes of whatsoever nature against said land or its interest therein. It is understood that in the event any taxes or assessments

are levied or assessed during the term of this agreement upon the Union Pacific's interest in said land, the Union Pacific shall be allowed to deduct the amount of taxes and assessments paid by it with respect to said land in any one year from the rental so agreed to be paid under subdivision (a) of this Section 5 and from the rental agreed to be paid by it for the City's tracks under the aforesaid agreement of February 1, 1936, and payment of the balance under either or both of said agreements after making said deduction shall be considered as full payment of rental under said agreements for such years.

Section 6. When the City shall have issued and disposed of its revenue bonds as aforesaid and shall have let contract or contracts for the construction of said Food Terminal, the Union Pacific shall commence and thereafter diligently carry on to completion said perishable team track yard comprising trackage approximately in the location indicated by ——— lines on Exhibit B, and will make connection thereof with its existing line of railroad as indicated on Exhibit B. The Union Pacific will thereafter maintain said team track yard during the term hereof as long as service to said Food Terminal necessitates the maintenance thereof and will operate said team track yard subject to lawfully published tariffs applicable thereto.

Section 7. It is agreed that upon the effective date of the lease herein made all that part of Section 6 of said agreement dated February 1, 1936, between the parties hereto relating to the guaranteed averaged minimum rental to be paid by Union Pacific to the City for use of the City tracks covered by said agreement, to wit, the last two paragraphs of said Section 6, shall be, and are hereby, eliminated from said agreement and shall thereafter be held for naught.

[fol. 483] Section 8. This agreement shall take effect as of the date hereof and shall continue in full force and effect for a term of 99 years from the effective date of the lease by the City to the Union Pacific of premises for the team track yard as aforesaid.

Section 9. This agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

In witness whereof, the parties hereto have caused this agreement to be executed in duplicate as of the date first herein written.

Witness: —— ——.

Union Pacific Railroad Company, by —— ——, President.

Attest: —— ——, Assistant Secretary. (Seal.)

Witness: —— ——.

The City of Kansas City, Kansas, by —— ——, Mayor.

Attest: —— ——, City Clerk. (Seal.)

[fol. 484] (Copy) (S-31)

Mr. G. E. Stanley:

Attached is proposed farmers' lease on the public market.

This lease was not made conditional upon completion of the project as was done in the wholesale dealers' lease, although that is open for consideration, and it may be that the lease should also be made conditional, so that the signing up of leases could be started at once.

Please review and advise.

(Signed) J. L. Haugh.

[fol. 485] (Copy) (S-31)

Farmers' Lease

This agreement, made and entered into this —— day of ——, 1938, by and between the City of Kansas City, Kansas, a municipal corporation of and organized under the laws of the State of Kansas (hereinafter called "City" and —— ——, (hereinafter called "Lessee"), Witnesseth:

Recitals:

The City has established on the banks of the navigable Missouri River in Wyandotte County, Kansas, on land owned by the City and known as the "Public Levee" a river and rail terminal and as part of said terminal proposes to establish a wholesale dealers' and farmers' food products market, said market being hereinafter designated as "Food Terminal".

The City proposes to construct within the limits of the Food Terminal and as a part of it a farmers' market consisting of umbrella sheds with adjoining platforms divided into units, which units will be leased to farmers as space for the conduct of a wholesale business in the handling, sale and distribution of farm food products. The location of said umbrella sheds and platforms and of said units thereof, numbered serially, is indicated on the plat hereto attached, marked "Exhibit A" and hereby made a part hereof. The Lessee desires to lease one of said units, hereinafter identified, on the terms and conditions hereinafter set forth.

Agreement:

Now therefore, it is mutually agreed by and between the parties hereto as follows:

Section 1. For and in consideration of the covenants and payments hereinafter mentioned to be performed and made by the Lessee and upon the terms and conditions hereinafter stated, the City hereby agrees to lease and let, and does hereby lease and let, unto the Lessee, for a term of one (1) year beginning on the date that the project is substantially completed and the City notifies the Lessee in writing that the leased premises ar ready for occupancy, Unit No. —— in said farmers' market in the location indicated on Exhibit A, said unit consisting of space in one of said umbrella sheds —— feet in depth and —— feet in width with adjoining platform with length corresponding to the width of said space and —— feet in width.

[fol. 486] Section 2. For use of said unit the Lessee agrees to pay to the City the sum of Twenty-one Dollars (21.00) per annum, payable in advance on the beginning of the term hereof, and also as a service charge the sum of twenty-five cents (25¢) per day for each and every day the Lessee occupies said unit, payable daily, all payments to be made at the office of the manager of the Food Terminal within the Food Terminal.

Section 3. The leased premises shall not be used for any other purpose than for the wholesale handling, sale and distribution by the Lessee of farm food products.

Section 4. The City will install, or have installed, in said Food Terminal as a part of the general improvements

there of certain streets and pavements and sewer, water and gas mains and electric and telephone pole and wire lines for the benefit of the occupants of the premises in the Food Terminal and will keep said facilities or cause them to be kept in repair.

The City will furnish special police protection in the Food Terminal against theft and pilferage. The City will also furnish necessary forces to clean the streets and pavements within the Food Terminal, Provided, however, that it is expressly understood that the obligation of the City will be to keep the streets clear of only such dirt and litter as will normally accumulate and the Lessee shall use due care to keep, and assume full responsibility for keeping, the streets and pavement in the Food Terminal free from any accumulation of waste from the business of the Lessee.

Section 5. The City may, from time to time, establish uniform rules and regulations for the management, control and operation of the Food Terminal and the businesses conducted therein, and may, from time to time, make reasonable changes in such rules and regulations, and this lease and all rights of the Lessee hereunder shall be in all respects subject thereto and the Lessee, and the employes of the Lessee, shall in the conduct of the Lessee's business observe such rules and regulations.

Section 6. The Lessee shall, when due and before any lien is attached to the leased premises if same may be lawfully asserted, pay all charges for water, gas, light, power and telephone furnished the leased premises and all other charges which may accrue with respect to use and occupation thereof.

Section 7. The Lessee agrees to reimburse the City for the cost of repairing any damages to the leased premises or to the structure of which they are a part which may be caused by the acts or omissions of the Lessee or of the agents or employes of the Lessee or others on the leased premises with the knowledge or consent of the Lessee. The Lessee shall not make or permit to be made any alterations in or additions to the leased premises nor make, allow or suffer any unlawful, improper or offensive use thereof or occupancy contrary to the laws of the United [fol. 487] States or of the State of Kansas now or here-

after made or that shall or may be injurious to any person or property, and will at all times in the use, occupancy and maintenance of said premises conform to and comply with all laws and ordinances now or hereinafter made applicable to the leased premises and save the City, its successors and assigns, forever harmless from any and all loss, damage or liability arising from any neglect or failure thereof by the Lessee. The Lessee shall at all reasonable times permit the duly authorized representatives of the City to inspect the leased premises.

Section 8. The leased premises shall during the continuance of this lease be kept by the Lessee in a neat and tidy condition and free from all rubbish or other material which would tend to increase the risk of fire or present an untidy appearance. No signs or advertisements of any kind shall be placed upon the leased premises except such signs as may be connected with the business of the Lessee and such signs shall be neat and properly maintained.

No gunpowder, gasoline, dynamite or other explosive or highly inflammable materials shall be stored or kept on the leased premises.

Section 9. The City shall not be liable to the Lessee or to any person in or about the leased premises with the knowledge or consent of the Lessee for damages resulting in whole or in part from any defect in the leased premises existing when Lessee takes possession or thereafter, whether such defect be obvious or concealed or whether it be known or unknown to the City and the Lessee, and the Lessee assumes and agrees to save the City harmless from and to indemnify it against any and all loss, cost and expense, damage and liability of every kind on account of any injury to the Lessee or the employes of the Lessee or to any person on the leased premises with the consent or knowledge of the Lessee.

Section 10. If during the term hereof the leased premises or the structure of which they are a part are destroyed or damaged by fire or other casualty, so that the same be rendered unfit for occupancy, then the City may, at its election, restore the same, in which case this lease will continue in effect, except that rental paid in advance by the Lessee shall be refunded to the Lessee in the proportion that the time the leased premises were untenantable bears to the period of one year; or the City may on the happening of such damage terminate this lease, in which event it will

refund to the Lessee the unearned portion of said rental paid in advance. If the leased premises shall be so slightly injured by fire or other casualty as not to be rendered unfit for occupancy, then the City shall repair the same as promptly as possible and in that case the rent accrued or accruing shall not cease or determine and no refund thereof shall be made by the City.

[fol. 488] Section 11. The Lessee shall be liable for any and all injury or damage to persons or property of whatsoever nature or kind arising out of or contributed to by any breach by the Lessee in whole or in part of any covenant of this agreement.

Section 12. The Lessee shall not let or sublet the leased premises in while or in part or assign this lease without the consent in writing of the City, and it is agreed that any such subletting or assignment of this lease, whether voluntary, by operation of law, or otherwise, without such consent in writing shall be absolutely void and shall, at the option of the City, terminate this lease.

Section 13. If the lessee shall fail to pay said rental in advance or said daily service charge or shall default in the performance of any of its other obligations hereunder and such default shall continue for a period of thirty (30) days after written notice from the City to the Lessee specifying such default, then in either event the City may forthwith terminate this agreement and all of the rights of the Lessee herein and the City may at once enter upon the leased premises and repossess itself thereof and remove all persons therefrom or may resort to an action of forcible entry or detainer or any other action to recover the same.

A waiver by the City of a breach of any covenant or agreement herein contained to be kept, observed and performed by the Lessee shall in no way impair the right of the City to avail itself of any subsequent breach thereof.

Section 14. The Lessee shall have the option of renewing this lease for another period of one (1) year upon the same terms and conditions as herein stated provided that such option shall be exercised by written notice to the City at lease sixty (60) days before the end of the term herein set forth.

Section 15. Upon the termination of this agreement howsoever, the Lessee covenants and agrees to vacate and surrender the quiet and peaceable possession of the leased premises in as good condition as the same were in upon

the effective date of this agreement, ordinary wear and tear and damage by fire or other casualty alone excepted.

Section 16. It is expressly understood and agreed that this agreement is conditioned upon the substantial completion of the Food Terminal project by the City within eighteen months from the date hereof and if said project shall not have been substantially completed and the notice to be served by the City on the Lessee fixing the beginning of the term of this agreement shall not have been served within said eighteen months' period, then upon the expiration of such period this agreement shall be null and void and of no further force and effect.

[fol. 489] (Copy) (S-31)

Section 17. Subject to the provisions of Section 12, this agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, executors, administrators successors and assigns.

In witness whereof, the parties hereto have executed this agreement as of the date first herein written.

Witness: —— ——.

City of Kansas City, Kansas, by —— ——, Mayor.

Attest: —— ——, City Clerk. (Seal.)

Witness: —— ——.

[fol. 490] (Copy) (S-23)

Omaha, Feb. 26, 1938.

Mr. G. E. Stanley:

In connection with securing PWA loan and grant on grain elevator, the Union Pacific has advanced to the city of Kansas City, Kansas, for preliminary expenses $11,034.25, which has not been repaid and which, I understand, the city is willing to pay providing it can find a way to do it.

Similar advances were made for the payment of expenses on trips to Washington to secure PWA grant for the proposed new food terminal. These advances have, so far, totaled approximately $3,000.

The city has agreed to employ Mr. Joseph DeOreo and Mr. William Fean as lease agents, their fee to be contingent upon the successful leasing and financing of the project. The successful financing depends upon the successful leasing.

Mr. DeOreo and Mr. Fean have been in Kansas City for fourteen months on their own expense, and have advanced between two and three thousand dollars of their own money to pay the expenses of farmers and merchants, incidental to promotion of the project, in addition to paying their own expenses while there.

It may take three or four months to get leases signed by farmers and merchants on the proposed terminal. It is advisable for the agents to take a number of the merchants, 15 to 20, to see the Cleveland and Buffalo terminals in order to help in making the leases. It is estimated that advances, from time to time, during this period, will total about $5,000.

The city would advance the money if it were available, but inasmuch as the arrangement is contingent upon going forward, it cannot advance the money until the plan is declared operative. The only one who can advance the money is the Union Pacific.

The Union Pacific is willing to advance the money, providing the city will agree to the following:

1. The amount advanced for preliminary expenses in connection with the grain terminal, $11,034.25, plus the amount already advanced on the food terminal, approximately $3,000, plus the amount still to be advanced about $5,000, will be repaid to the Union Pacific out of the funds received from the sale of revenue bonds.

2. In the event that the food terminal project is not consummated, then the Union Pacific will be reimbursed for the $11,034.25 advanced on the grain elevator project from the rentals that the Union Pacific is obligated to pay for lease of trackage serving the grain elevator.

[fol. 491] Will you kindly arrange, therefore, with the city, and also develop with them the method for handling this advance.

(Signed) J. L. Haugh

[fol. 492] (Copy) (S-23)

Kansas City, Missouri, February 28, 1938.

Mr. J. L. Haugh:

Referring to your letter of February 26th, in which you outline plan for further advances to Kansas City, Kansas, provided there is a definite understanding about the re-

capture of the advances already made and the one to be made.

On account of the situation discussed with you by telephone, I am unable to make any headway on this matter and will await the return of Mr. Breidenthal from Topeka. If the matter clears up I will then suggest a definite method for handling the funds.

G. E. Stanley

[fol. 493] (Copy) (S-21)

Omaha, Mar. 3, 1938.

Mr. G. E. Stanley:

Am attaching herewith copy of a tentative draft of letter to Mr. Charske and revised estimate, covering the cost of construction of the proposed Kansas City Food Terminal and suggested financing of it.

Since preparing this estimate, I have your letter of Mar. 1, correcting the estimate on the Jersey Creek sewer by adding $20,000, making the total $188,400.

I also have Mr. Gentry's letter of Feb. 28, correcting the cost of the farmers' market, and advising that contingencies should be deducted from the architectural and engineering fees.

I realized that Mr. Gentry's first estimate on the farmers' market sheds was entirely too low, as I used the same figure that we used formerly, $94,160. This evidently now can be reduced to $72,080.

Have the following questions:

(1) Does the $27,100 for sewers, in Mr. Schulz' estimate, include a pumping outfit?

(2) In the previous estimate, we included $35,000 for pumping outfit, and in this revised estimate I left the same $35,000, but allocated $15,000 to pumping outfit and $20,000 to an incinerator. Please advise if the engineers consider it advisable that an incinerator be provided, and if so what it will cost.

(3) How much of the cost of paving in the merchants' and farmers' market can be covered by general obligation bonds?

(4) Could not the Board of Public Utilities of the city provide the fire protection, without charging it against the revenue bonds?

(5) Would it be possible for the Board of Public Utilities to take care of the cost of flood lighting without charging that against the revenue bonds?

(6) The engineers' and architects' fees are estimated at 6% of the construction cost. After adding this to the other totals, should we add 10% for contingencies, or have Mr. Schulz and Mr. Gentry taken 10% into consideration in each of the items of their estimate?

[fol. 494] (7) The rental of the store units is estimated at $175 per month, plus the cost of policing and street cleaning. Please ascertain what the prospects are for leasing at least 80% of the stores in four buildings at this rental. Eighty percent would be 64 units.

Please review this entire matter, and not only favor me with your advice on the above questions, but if there are any other that occur to you, advise about them also.

Please let me know on this as soon as you can so that I can complete the revised estimate.

(Signed) J. L. Haugh

[fol. 495] (Copy)

Union Pacific Railroad Company

Telegram

18gnca

Omaha 917 AM Mar 5 1938.

G. E. Stanley, K C

Because of lower rental paid by Grain Elevator for first ten years and because of increase above estimate in real estate commission rate, it will be necessary to make new set-up of operating income, and it looks as though it will be necessary to increase rentals of merchants units to $200 per month plus cleaning and policing. At least, do not believe we are safe now in saying that rentals can be as low as $175.

Kindly talk this over with Agents and advise. Please compare last estimate I sent you with the set-up in last Nicolaus proposal J-19.

J. L. Haugh
9 53 A.M.

[fol. 496] (Copy) (S-23)

Kansas City, Missouri, March 5, 1938.

Mr. J. L. Haugh:

I received your letter of March 4th, enclosing Union Pacific voucher No. 687873 in my favor for $2,000, to be used as preliminary expenses in connection with proposed Kansas City Food Terminal.

Attached you will find itinerary of trip, together with transportation charges; receipt signed by Division Passenger Agent of A. T. & S. F. for $1,232.56 and overall receipt signed by Joseph DeOreo and Wm. Fean. In line with my discussion with you last evening, I made the receipt in favor of Mr. Breidenthal because I wanted to establish the transaction to the satisfaction of the City officials and lay a proper foundation for a claim.

I also attach hereto list of merchants who will take the trip, together with number of cars handed via Union Pacific during 1937. Mr. Weedin states that this does not reflect a true situation as these people buy from brokers and much of their purchases are handled via Union Pacific. At any rate I am reliably advised that we have the real people who make up the Kansas City market. My only disappointment is the fact that a representative of Michael, Swanson Brady will not be on the train but Mr. Michael appears to be very friendly about the new market and I have a definite appointment with him Tuesday morning in my office.

G. E. Stanley.

[fol. 497] (Copy)

Chicago, March 7, 1938.

Mr. G. E. Stanley:

Regarding the inspection tour of the Kansas City Fruit and vegetable merchants:

Messrs. Walter and Doody of the P. F. E. Company and Mr. Nigg, Perishable Representative, met our committee upon arrival at Chicago and accompanied the committee through the fruit auction and South Water Market during the forenoon. About one hour was spent in the auction and all members of the committee were greatly interested.

Mr. Sterne, A. G. M., representing Mr. Irrgang, accompanied us through the warehouse, where samples were on

display, and explained the operations of the auction; and Mr. McHale, auctioneer, made a few remarks.

We then went to the South Water Market and Messrs. Fox and Godding, of Fox & Godding (Mr. Godding being also president of the auction), gave us some interesting information regarding the operations of the market.

Their firm owns a double unit on 15th Street, and they mentioned some of their costs of operation, including: 24 x 80 ft. unit on corner; tax $1,200 per yr.; 24 x 80 ft. inside unit; tax $700 per yr.; Insurance substantial but was unable to give us figures at this time; will be furnished later; Street maintenance, about $15.00; Rental along the west two blocks on the same street, $300 per unit per month.

Mr. Godding mentioned that taxes and rentals were, of course, based on costs, and he feels might be excessive.

From brief discussion with some other dealers it was brought out that operations would be much facilitated were their tracks along the rear of their units. Throughout the market traffic conditions were terrible, to say the least—movement very slow and trucks have great difficulty in finding room to load and unload.

We then inspected and went through the L. Podesta Company banana rooms.

After leaving the market Mr. Walter served a marvelous luncheon at the Palmer house that was very much enjoyed by all.

Mr. William Garfitt, ex-Secretary of the Western Fruit Jobbers and now Vice-President of the Standard Fruit and Steamship Company, had been invited to attend and make a few remarks, and he certainly made us a very interesting and inspiring talk, pointing out his observations over a long period of years, during which time he had seen various [fol. 498] markets in operation and had noticed the disadvantages under which some were operating. Just before the luncheon he was given a copy of the recent drawings of the proposed Kansas City food terminal and he was very much interested and complimentary of the arrangement.

During the course of his talk he mentioned, among other things, that the Chicago South Water Market involved a real estate movement and that about 260 units were built, whereas 150 would have been enough. The excessive number, he stated, had the effect of encouraging too many going into business, with undue competition and its attending interference with profitable operations. He pointed out

that dealers can no longer hope to prosper on the basis of speculation, rather from economical operation, hence the importance of looking toward savings in the cost of handling, trucking and loading, etc.

Attention was called to the loss of business to chain stores and that independent dealers had been largely handicapped in meeting their competition due to their failure to economically operate. Reference was made to the Detroit market, built at a cost of five and one-half million dollars, where an effort had been made to eliminate small sales to retailers which action had resulted in extra handling and middlemen that had increased the costs to the independent retailer and at the same time given chain stores an undue advantage, with the result that Detroit has more chain stores relatively that most cities.

He cautioned the Kansas City men of the importance of eliminating these costs if they are to successfully compete with the chain stores.

The importance of eliminating middlemen and direct sales to retailers was emphasized.

One of the dealers mentioned that Topeka, for example had been able to operate more properly than Kansas City, largely due to its direct contacts with the retailers.

He mentioned that with proper and economical handling facilities the American public could be induced to eat more than twice as much fruit and vegetables.

He emphasized that he is for the proposed arrangement heart and soul and that it is almost perfect. He did suggest, however, that it had been found more economical operation could be had by making units somewhat wider, with less depth, stating the dealers desired to display their products near the front of the unit and avoid the costs of handling goods to and from the back end of the unit. Attention was called, however, to the inconvenience of having tracks at the rear of the building as proposed at Kansas City and the great economy that would result from such direct handling from cars. As stated, he was most outspoken in his praise of the proposed arrangement as compared to existing facilities and those at Chicago.

[fol. 499] As to the auction house, Mr. Garfitt stated he was of the opinion that we should not undertake to provide an auction at Kansas City for various reasons, principally among them that auction prices are broadcast to the re-

tailers and that they resent the wholesaler receiving more than a minimum profit.

Particular attention was called to the potential advantages of an improved and enlarged Kansas City terminal, pointing out that in such cities as St. Joseph, Leavenworth, Lincoln, Fremont, Norfolk, Salina, Manhattan, Emporia, Joplin, Springfield and others, they properly should come to a large market such as will be provided by Kansas City for their products for the reason that many of the dealers at such outlying points could not justify purchase of full cars if purchases might be made in smaller quantities at a reasonable figure: that these cities surely will look to Kansas City to provide them the proper market.

He mentioned the Union Pacific's having an enviable reputation and that he believes the Union Pacific is seriously trying to help the produce business in cooperating with this movement.

Further with reference to the auction he stated that it works to the disadvantage of the dealers in many instances, with resulting profit to those interested in the auction.

The Kansas City committee was complimented for its apparent interest and cooperative spirit and urged that they wholeheartedly get together, looking toward a new and improved arrangement at Kansas City, stressing, however, the importance of making a careful study of the different markets, and suggested that it be well to give consideration to the possibility of Kansas City, Missouri, officials and politicians undertaking to penalize the proposed market by bringing about increased costs of truck licenses or other efforts looking toward restriction of successful operation of the Kansas side market. He stated he believes these difficulties could be overcome but they should be considered.

Mr. Garfitt was asked to express himself with regard to the itinerant peddlar situation with which Kansas City dealers are now confronted, and he stated that we will always have more or less of this trouble that that the proposed arrangements he thought these could be very effectively dealt with.

Mr. Ziegler of Ziegler & Company asked his views as to the possibilities of Kansas City, Missouri, providing a small market in competition with the Kansas City Food Terminal, where itinerant peddlars might be permitted to bring their products and sell them to the detriment of the Kansas side dealers. Some round table discussion was had, but it seemed

to the views of those in attendance that there could not be two markets and that the itinerant peddlars would cause much less trouble and probably operate but little to the detriment of the Kansas side dealers.

Mr. Yukon of Yukon & Sons said a few words with reference to the relative costs for water and light, stating that the Kansas side costs are thirty to forty per cent less than those on the Missouri side. Mr. Gandy confirmed this and made a few remarks regarding it.

[fol. 500] Some questions were raised as to the plans for refrigeration and it was explained that water of a temperature of approximately 56 degrees may be had at very little cost and that building plans contemplate the installation of cooling equipment if and as required at reasonable cost.

In brief, I believe I may safely say that the committee is well sold on the proposed arrangement and that the inspection trip will serve to crystalize sentiment.

While I do not know whether you are acquainted with Mr. Garfitt, I suggest that his knowledge and influence with the dealers is such as to justify your inviting him over to talk to interested people at Kansas or perhaps it might be better to see him here.

C. C. Weedin.

cc—Mr. J. L. Haugh, Mr. R. R. Mitchell.

[fol. 501] (Copy)

Cleveland, Ohio, March 9th, 1938.

Mr. G. E. Stanley:
Kansas City.

Further regarding the Kansas City Food Terminal Committee.

Upon arrival in Buffalo, Tuesday morning we were met by Mr. Walter and Mr. Lewis, of the Pacific Fruit Express, and Mr. Allen, Traveling Freight Agent, of our Cleveland office; and went directly to the Niagara Frontier Food Terminal.

We had brief visits with several of the dealers, among them Pusateri & Son, who have a 28 x 80 foot inside unit, and advised they are paying $181.00 including light, power and about $10.00 maintenance charge. When casually asked for any suggestion, if any, that might be made toward improving the facilities, they stated it would be quite helpful to them if they had a track along the back of their unit,

which would result in a saving of about $15.00 per car handling charge.

From checking with others regarding rentals, I gathered that the usual rental charge is about $225.00 per month with cooler; $185.00 without cooler, which includes policing, light and elevator.

We called on Altman & Swartz, vegetable dealers who, I understand, are the largest dealers there. Incidentally, Mr. Altman remarked that he is a very close friend of Mr. E. J. Hanson.

Mr. Altman also thought tracks at the rear of their units would be considerable economic advantage, providing switching could be properly timed to avoid undue congestion at the rear of the building while loading trucks.

Mr. Frank Deveso & Sons' elaborately finished tomato ripening rooms were inspected by the committee and he gave them some interesting information regarding the handling of that commodity.

Visits were had with various other dealers, including Robinson & Gentile, vegetable dealers.

Mr. Robinson gave the boys quite a little information as to their abilities to police the property, operating of the market, especially regarding opening and closing hours; restriction of truck operations, etc.; stating truck deliveries are made from points within the state, but that they do not generally accept deliveries of any commodities from out-state origins.

The team tracks were then inspected and our men commented on the convenient manner in which they were located, etc.

Something of considerable importance was apparent to me in connection with the matter of switching arrangements and absorptions; in that, not only do lines competing with the Erie and the Nickel Plate, absorb switching charges on traffic unloaded on these market team tracks, which is [fol. 502] switched by the Erie and to which the Nickel Plate has trackage rights, but that other lines absorb the in and outbound switching charges where cars are set to the team tracks and then diverted from there, which is not the case in Kansas City.

I was informed but did not have time to confirm it that when the terminal was first located there the Erie had a decided advantage in that cars might arrive via Erie and be diverted to points beyond without extra cost to the shipper,

whereas they were penalized when shipments moved via competing lines. To meet this, other lines arranged for these absorptions and the following examples are submitted.

On shipments of fruits and vegetables for example:

Received Erie, set team tracks, diverted to Boston via Erie, no switching charge.

Received NYC, set team tracks and unloaded, $12.50 switching charge absorbed.

Some car received NYC, set team track, reconsigned Boston by the NYC, $6.25 each way absorbed by the NYC.

Received NYC, set team tracks, reconsigned Boston, via DL&W, $6.25 in and outbound charges absorbed by the respective in and outbound lines.

Received NYC, set team tracks, reconsigned Erie. The NYC absorbed $6.25 inbound. There is no outbound switch since Erie has trackage rights.

It was also pointed out that fruit and vegetables cannot be set to wholesale grocery houses in the district, except when the Erie receives the inbound haul.

These switching arrangements, you will note vary considerably from those contemplated at Kansas City, and I shall make it a point to check into this feature further at Cleveland and make a further report to you regarding it.

After completing the tour of the markets, Mr. Lewis very kindly had a bus take the entire group to Niagara Falls, where they were served a nice lunch and driven about the Falls and the Rapids, after which the committee left for Cleveland for the night.

From casual remarks, I think our Kansas City friends are more than ever interested in lending their support to the proposed move.

Further report will be made on Cleveland.

(Signed) C. C. Weedin.

CC—Mr. J. L. Haugh, Oma., Mr. R. R. Mitchell, Oma., Mr. W. H. Benham, Cleveland.

[fol. 503] (Copy)

Cleveland, Ohio, March 9th, 1938.

Mr. G. E. Stanley,
Kansas City.

After a brief visit with Mr. Benham and Mr. Gannon, at Cleveland today, the committee went immediately to the Auction House, and remained about an hour; but the committee,

very clearly, is not for an auction at Kansas City at this time.

From comments made, both in Buffalo and in Cleveland, it seems they believe an auction house at Kansas City would be undesirable for the reason that prices paid for their products would be more generally known to the general trade, and this would interfere with profits. They feel that there are not enough carload buyers there to justify it.

We went from the Auction House through the Federal Cold Storage Co., and we have suggestion that a large cold storage plant could be fully justified in connection with the market at Kansas City; helping greatly in a traffic way.

The inspection tracks were looked over as well as the Farmer's Market but there was no activity at this market.

We then visited several of the local dealers, including T. M. Rini, and Martin Rini & Sons, and others, each of whom have two units.

From comments, it is very clear that tracks along the rear of the units would result in quite an economy, and they feel that some arrangement should have been made at the time the terminal was built.

Mr. T. M. Rini, the largest dealer here joined us for lunch, and reported to me, in the presence of the committee, that he is fully familiar with the Kansas City situation, and is very much of the opinion that the dealers are justified in lending full support to the proposal.

He had some suggestions, among them, that not to exceed 60 units should be constructed at this time, if that is the maximum number that could be occupied with responsible dealers, stating that where the smaller dealers go into the market it results in embarrassment and undue price cutting. This latter feature was mentioned but briefly, and I don't think that his expression will seriously effect the views of members of the committee to the extent of their objecting to the construction of 80 units, if it is concluded to do that. I believe what he had in mind, was that there should not be more than 60 produce dealers.

He stressed the importance of the rear end tracks and the advantage this would have over the Buffalo and Cleveland facilities; and I know his few remarks stimulated the com- [fol. 504] mittee's desire for some action in Kansas City.

We went through different banana rooms, cooling compartments, vegetable packing rooms, etc.

It was suggested that the runway in front of the units might well be a little wider to facilitate the handling of produce back and forth during the time the market is in operation.

Mr. Gandy, during the course of a visit with Mr. Rini, mentioned the credit difficulty in Kansas City, wherein the dealers are experiencing substantial losses, and it was suggested that our committee meet in the Cleveland Credit Ass'n rooms, where some very interesting and forceful remarks were made by Mr. Teaford, Credit Manager, who explained the difficulty experienced there until a few years ago, and the credit improvements brought about by the association.

I noticed that the members of the committee were intensely interested in this feature and that they were very responsive when it was suggested that this Association be formed, and start to function at the time of movement into the new market.

I believe this feature is one that is going to have some influence on the decision of some of the members of the committee.

Mr. Gannon, and Mr. Frisk, who accompanied us, are securing, and will mail us copy of the by-laws of this organization.

During the afternoon, after the gathering broke up, I had the privilege of looking over some of the grocery, meat, dressed poultry, and dairy produce units, which seem to do a good business and without doubt each is helpful to other.

Comment was made, however, that difficulty is being experienced from small dealers outside but on the fringe of the district and that is something that I think the committee is giving some consideration to at Kansas City, and which should be restricted without much difficulty there.

At Cleveland, as in Buffalo, I found the switching absorption situation is somewhat different from that contemplated at Kansas City, in that competing lines absorb to and from the terminal from where shipments are diverted beyond, and that feature is being covered in a separate report.

C.C. Weedin.

CC-Mr. J. L. Haugh, Omaha, Mr. R. R. Mitchell, Omaha, Mr. W. H. Benham, Cleveland.

[fol. 505] (Copy) (S-21)

Omaha, Mar. 9, 1938.

Mr. G. E. Stanley:

Am attaching three copies of the latest revised estimate for the Kansas City Food Terminal, pages 1 to 7, inclusive.

I have provided that the city will pay the cost of moving the dike, because that is necessary in order to reclaim 6.7 acres of additional land upon which the city will receive rental from the Union Pacific.

The filling of the property will be paid for by the Union Pacific.

Have also included in the cost to the city the estimated cost of changing the grade of Minnesota Avenue north of Jersey Creek, because that change of grade is necessary to adapt the street to the new grade of the property on the east. The estimated cost of this change is $22,110.

In the estimate of operating results, have provided for a rental of $175 per month, per store unit. This is barely enough to provide the required net income for interest and amortization. With this rental, it will be necessary to have tenants for 80% of the four buildings in order to assure success of the enterprise.

The real estate commission on rentals if estimated at 5%, $9,042 per year, being estimated that the entire amount be paid in ten years. This is the maximum that can be absorbed in the operating results.

It is entirely all right for you to furnish a copy of this to the City Attorney, for use of the City Commission.

There may be minor changes later. However, this set-up is about as close as we can get it now.

If the rentals for the store units were made $200 per month instead of $175, it would leave a better margin in the operating results.

When the merchants return from the East, it would be advisable to have a meeting between the City, ourselves and the merchants, and arrive at an understanding about the rental.

(Signed) J. L. Haugh.

[fol. 506] (Copy)

Union Pacific Railroad Company

Telegram

Kansas City, 110 p.m., Mar. 14, 1938.

G. E. Stanley, Sun Valley.

Talked DeOreo and Fean this morning. DeOreo firmly convinced committee will favorably report on trip and are ready to go ahead. Since my reaction is no changes in plant are required we taking no further action pending your return. Am convinced all were favorably impressed with advantage and desirability proceeding proposed arrangement am also convinced announcement Kansas City Times with photograph proposed north side market was deliberately promoted by certain north side interests. Purpose embarrassing Kansas City, Kans. program. Naturally, it has stirred up some excitement, but don't believe is being taken very seriously A-27 Orig. GES CY JLH.

CCW.

[fol. 507] (Copy) (S-21)

Kansas City, Missouri.
March 17, 1938.

Mr. J. L. Haugh:

Referring to your letter of March 9th to which you attached three copies of the latest revised estimate for the Kansas City Food Terminal, pages 1 to 7 inclusive.

The item for paving, widening and changing grade of Minnesota avenue in the amount of $90,310 should be carried on page 2 instead of the original estimate of general obligation bonds amounting to $68,200.

This will help out some and if you agree, please revise figures accordingly and furnish me new pages in order that I may handle same with the City as you direct.

I am arranging for meeting with the merchants and will advise you as soon as possible. Mr. Weedin is quite enthusiastic about the benefit that a terminal of this character would be to the Union Pacific.

G. E. Stanley.

[fol. 508] (Copy) (S-21)

(Undated)

Mr. J. L. Haugh:

Attached is operating estimate of office section, Kansas City Food Terminal, prepared by Mr. Gentry's office. The -stimated wages of charwomen at $100.00 per month is on advice of Mr. Skinner but the prevailing rate in the downtown district is $60.00 per month and that should be sufficient.

The cost of operation per square foot per year is $0.483 plus cost of refrigeration. I would like to hold the rental down to $1.00 per square foot but the city thinks it should be $1.10 and I am trying to get leases on that basis.

[fol. 509] (Copy)

Kansas City, Missouri.
March 24, 1938.

Mr. J. L. Haugh:

Messrs. Armstrong and Walter remained in Kansas City yesterday and today because the merchants wanted to talk to them about the proposed food terminal. They have been a tremendous help to the project.

Today noon I arranged a luncheon which was attended by Messrs. Armstrong, Walter and Frye of the P. F. E., also Alexander, Gibson, Weedin, Peters, Horn, Gaskill, Christ, Cahill, Higgins, True and myself. Every feature connected with the terminal was clearly discussed and it was agreed that everybody connected with the Union Pacific should get active for the new terminal and that from now on we would take an open position.

Everybody seems confident that we can get this terminal and in addition to carrying on some of the details connected with it, I am also working on the leases and will send you some pro osed provisions not later than Saturday of this week.

G. E. Stanley.

[fol. 510] (Copy) (S-23)

Kansas City, Missouri.
March 25, 1938.

Mr. J. L. Haugh:

As a matter of record, I wish to answer your letter of February 26th, about Kansas City, Kansas reimbursing

us for necessary preliminary expenses on both public levee and food terminal.

The same matters were discussed with you over the telephone and you were advised that Mayor McCombs thought it would be embarrassing for him to enter into any arrangement at this stage about reimbursing the Union Pacific. He is not personally adverse to the suggestion but views the matter entirely from a public policy standpoint and the fact that such an arrangement would endanger the whole project. Following my talk with Mayor McCombs and Mr. Breidenthal, you advanced $2,000 for which I have furnished receipts and the entire amount was turned over to Messrs. Fean and DeOreo to pay the expenses of recent merchants trip to eastern food terminals. It was agreed that this money would be returned to us by Fean and DeOreo out of their commission provided the food terminal was constructed.

Inasmuch as the prospects are very good to put this food terminal over, and it will even justify the expenditure of a further sum of money, which I roughly estimate at $3,000, I think we should concentrate on making the food terminal possible and concurrently with the financial arrangement secure a definite agreement from the city to reimburse us for all of our advances, including the sum of $11,034.25 that was advanced on the elevator project.

Everybody connected with the Union Pacific at Kansas City are heart and soul for obtaining the food terminal and they all agree that it is the biggest project that was ever attempted by the Union Pacific at Kansas City and are working hard to help out. Mr. Cahill has already taken the matter up with the Boosters Organization and it will do everything possible to help. We have many employes in Kansas City, Kansas and they can be helpful in many different ways.

G. E. Stanley.

[fol. 511] (Copy) (S-23)

Omaha, Nebraska.
April 7, 1938.

Mr. G. E. Stanley:

Attached is Union Pacific voucher No. 672510 in your favor, amount $600, for preliminary expenses in connection with the Kansas City Food Terminal.

This amount will also be considered as an advance, which we will recollect from the City provided the Food Terminal is built.

(Signed) J. L. Haugh.

[fol. 512] (Copy) (S-23)

Kansas City, Missouri
April 9, 1938.

Mr. J. L. Haugh:

I received your letter of April 7th, attaching voucher for $600 to provide necessary working fund for Kansas City Food Terminal.

This money was turned over to Joseph DeOreo and Wm. Fean in accordance with our prior understanding and receipts taken in the name of W. J. Breidenthal in order that a proper record can be made and the money refunded to us in the event the food terminal is built.

Attached you will find receipts signed by Mr. DeOreo and Mr. Fean, which fully accounts for the full sum of $600.

G. E. Stanley.

Encl 2.

[fol. 513] (Copy)

April 12, 1938.

Mr. A. H. Skinner,
City Attorney,
Kansas City, Kansas.

Dear Mr. Skinner:

Attached is rough draft of proposed farmers' lease, which I will appreciate if you will review right away.

Mr. Fean will call on you and if the lease meets with your general approval, he will immediately have a bunch of the leases printed and made ready for distribution to the farmers.

I have tried to make the lease simple and short.

Very truly yours, G. E. Stanley.

[fol. 514] (Copy) (S-23)

Union Pacific Railroad Company

Telegram

Kansas City, Missouri.
May 4, 1938.

J. L. Haugh, Omaha:

Please authorize advance to DeOreo and Fean for $300 each. The other voucher was payable to me and I will handle the new advance in the same manner as the old one. S 157.

G. E. Stanley.

[fol. 515] (Copy) (S-23)

Omaha, Nebraska.
May 5, 1938.

Mr. G. E. Stanley:

In accordance with your wire S-157 May 4th, attached is Union Pacific Railroad Company voucher No. 706359 in your favor, amount $600, for preliminary expenses in connection with the Kansas City food terminal.

This amount will also be considered as an advance which we will recollect from the City provided the food terminal is built.

Please secure customary receipts from DeOreo and Fean in the name of W. J. Breidenthal in order that proper record can be made and the money refunded to us.

(Signed) J. L. Haugh.

[fol. 516] (Copy)

Leasing Agents Kansas City Food Terminal
Kansas City Levee

May 27, 1938.

Mr. G. E. Stanley, Executive Asst.,
Union Pacific Railroad,
717 Railway Exchange Bldg.,
Kansas City, Kansas.

My Dear Mr. Stanley:

Having been very busy and not finding any time to visit your office and knowing that you are interested as to how I am doing with the leases I desire to state that up to four o'clock Friday I have wrote eighty leases, all signed

and executed and have sent out one hundred fifty-two (152) pieces of mail which will probably make up my next week's work.

Numbers and spaces are allotted to each lessee, which will not give us any more trouble until the opening of the Terminal. The farmers are elated and happy to know things are moving on and everybody that visits my office leaves smiling.

Yours truly, (Signed) Wm. Fean.

[fol. 517] (Copy)

Union Pacific Railroad Company

Telegram

Kansas City, Missouri.
June 4, 1938.

J. L. Haugh, Omaha:

Winer & Saroff Commission Company today signed for two units in food terminal, thereby bringing total to 54.

G. E. Stanley.

[fol. 518] (Copy)

Omaha, Nebraska,
June 16, 1938.

Mr. G. E. Stanley:

In accordance with your telephone request yesterday there is attached Union Pacific Railroad Company voucher No. 685064 for $800, your favor, to cover preliminary expenses in connection with proposed Kansas City Food Terminal.

This amount will be considered as an advance which we will recollect from the City provided the Terminal is built.

(Signed) J. L. Haugh.

[fol. 519] (Copy) (S-23)

Union Pacific Railroad Company
Omaha, Nebraska

Air Mail Special Delivery June 20, 1938.

Mr. G. E. Stanley, Mayflower Hotel, Washington, D. C.

Dear Mr. Stanley:

Attached is Union Pacific voucher in your favor for $500. I wish you the best of luck.

Yours sincerely, (Signed) J. L. Haugh.

[fol. 520] (Copy) (S-31)

Union Pacific Railroad Company

Omaha, Nebraska,
June 25, 1938.

Air Mail Special Delivery

Mr. G. E. Stanley, Mayflower Hotel, Washington, D. C.

Dear Mr. Stanley:

Attached herewith are five copies of draft of agreement between the Union Pacific Railroad Company and the City of Kansas City, Kansas, relating to the construction and maintenance of a food terminal on the public levee, and covering lease to the Union Pacific of a site for perishable team track yard.

We have used descriptions in this lease so as to avoid the necessity of exhibit prints.

The description of the public leeve, contained in the recitals, is taken from a print furnished by the City Engineer with certain corrections later furnished to us by Mr. Skinner.

In Section 1, is a description, very general in nature, of improvements to be built by the City, and in that has been included a cold storage plant which, I understand, is a part of the project as included in the application to the PWA. There are other facilities which the City will build within this area, which we have not described, such as a proposed warehouse.

The term of the agreement is for thirty years with an option on the part of the Union Pacific for three successive periods of 23 years each, which altogether will make a total of 99 years. The Union Pacific will pay the minimum rental of $10,760 throughout the entire period, and in order to cooperate with the City to make this meritorious project feasible, it will pay, during the original term, up to a maximum of $40,000 per annum depending on the rentals received by the City.

In Section 6, it is provided that the City will relocate the dike. That is necessary to provide an additional 6.2 acres of property upon which the Union Pacific is agreeing to pay rental. While the obligation is placed on the City here, I understand that the United States Engineers will do

this work in connection with a flood control project that has been recommended for this area.

The team yard will be open to the cars of all railroads, and the Union Pacific will switch them with expedition under published tariffs.

[fol. 521] In Section 12, it is provided that the last two paragraphs of Section 6 of the Grain Elevator lease shall be eliminated from that agreement. These paragraphs relate to a guaranty provision. This guaranty provision is automatically absorbed in the new lease on the food terminal.

Am attaching herewith five copies of Section 6 of the Grain Elevator lease, to accompany the contract.

Yours very truly, (Signed) J. L. Haugh.

cc—Mr. J. A. Bennewitz.

[fol. 522] (Copy) (S-23)

Kansas City, Missouri,
July 18, 1938.

Mr. J. L. Haugh:

Under date of May 24th, you mailed me voucher for $800, $600 of which was to be advanced in equal amounts to Joseph DeOreo and Wm. Fean and $200 was to defray expenses of George T. Darby, City Finance Commissioner on a Market inspection trip, because he had not gone on previous trips.

I omitted to send you receipts singed by Joseph DeOreo and Wm. Fean which you will find attached hereto.

I gave Mr. Darby $200 in cash but took no receipt from him. He intended to go on inspection trip but official duties prevented and he informed me that he used the money in making round trip Washington to Kansas City and return via airplane. You will recall that he went to Washington with Mr. Breidenthal, Mayor McCombs and me, but had to return to Kansas City via airplane in order to authorize city employes payroll. I bought Mr. Darby's round trip railroad ticket and Pullman both ways. Also paid his hotel bill at Washington, D. C.

I have used all of the money that you have advanced me plus $47.00.

For several days both Mr. DeOreo and Mr. Fean have been pressing me for further advances. When you and I

talked this situation over with them we agreed to advance $1,800 at the rate of $600 per month and it was further agreed that the money would be refunded to us out of their commissions if the deal went through with the City. They both have worked hard and Mr. DeOreo today informed me it had been necessary for him to borrow $50.00 from the Hotel Pickwick. At any rate it appears that both of these people are without funds and considering all circumstances and the fact that we want to keep the momentum up at this time, I am willing to recommend that we advance the further sum of $600. It will also be necessary for me to take a delegation to Washington within one week. It is not unlikely that we will remain fully one week, so I suggest that you advance a total of $2,000, $600 of which I will give to Messrs. Fean and DeOreo and hold the balance of $1,400 for a further working fund.

G. E. Stanley.

[fol.523] (Copy) (S-31)

Omaha, Nebraska,
July 21, 1938.

Mr. G. E. Stanley:

Attached is voucher requested by you in the amount of $2,000 for preliminary expenses in connection with proposed Food Terminal.

This amount will be considered as an advance which we will recollect from the City provided the terminal is built.

Please secure customary receipts for portion of the above amount turned over to Messrs. DeOreo and Fean.

(Signed) J. L. Haugh (1).

Omaha, Oct. 21, 1938.

Mr. G. E. Stanley:

Am attaching herewith Union Pacific Railroad Co. voucher for $1,800 in your favor, which is to cover expenses already incurred by you, and to be used as working fund advance in connection with expenses incident to the Food Terminal.

In due time, please furnish me with a detail of the expenses incurred in connection with the Food Terminal.

(Signed) J. L. Haugh.

Omaha, December 7, 1938.

Mr. G. E. Stanley:

On Oct. 21st I sent you UPRR voucher for $1,800, to cover expenses already incurred by you and to be used as a working fund advance in connection with expenses incident to the Food Terminal.

Can you now let me have a detail of the expenses incurred in connection with the Food Terminal which will be recollectible from the City.

(Signed) J. L. Haugh.

[fol. 524] (Copy)

Kansas City, Missouri,
July 22, 1938.

Public Works Administration, Washington, D. C.

Gentlemen:

We, the undersigned members of committee who have negotiated with wholesale fruit and vegetable dealers for the establishment of the Kansas City Food Terminal in Kansas City, Kansas, acknowledge that they are familiar with the protest filed by the North Side Improvement Association through Mr. Turney Gratz, its Secretary and Manager, to which were attached statements signed by Mr. Walter Reich, Mr. Herbert Ziegler and Mr. R. Mills, all of whom are wholesale dealers.

Mr. Turney Gratz has been secretary and manager of the North Side Improvement association for about two years. During that time they have torn down the old city hall in that part of town and moved it to a modern location. During the same time the old court house has been torn down and moved to a modern location. The police department is now waiting the completion of a new building and will soon move out of the north end. Out side of the fact that the Muehlebach brewery has remodeled an old building, it can be truthfully represented that there has not been a new improvement in the entire north side during the regime of Mr. Gratz. It is true that there are a number of old established firms in the north end such as Richard & Conover, Wm. Volker, Townley Metal Hardware Company, American Steel & Wire Company and others that are not associated with the market in any way. The north end of

Kansas City, Missouri has been slipping back year after year.

About two years ago the Housing Administration, a branch of P.W.A., proposed a slum clearance for the north end. Judge H. F. McElroy, then City Manager and now City Manager, publicly opposed any such enterprise in Kansas City, Missouri. We are not criticising Judge McElroy for his attitude because we are not fully informed about the subject and recognize that Judge McElroy has a right to his own opinion.

We do know something about the wholesale fruit and vegetable business and all of us have been engaged in that enterprise during our business life. We have visited and know about modern markets throughout the United States and have long sought one for Kansas City.

Mr. Turney Gratz has what he calls a produce division of the North Side Improvement Association but the merchants do not patronize this association and it is well known that the association is supported by business firms in the north end that are not associated with the produce industry. Mr. Gratz knows nothing about our business and has never been an aid to the industry in any way.

Mr. Walter Reich has a small stall in the City Market where he leased a place about two months ago. However, practically all of the business of A. Reich & Son is handled [fol. 525] in the Rock Island Freight House about two miles from the City Market. He has good railroad accommodations and has expanded his business to a greater degree than any wholesale merchant in this city. We recognize the advantage that Mr. Reich has and would like to have like facilities for the entire industry, because we realize it would lessen the cost of handling and distribution of essential food. We have had no quarrel with Mr. Reich about the new Kansas City Food Terminal. We realize that if it is established he will want a stall in it himself, but we do want to have the same advantages that Mr. Reich, our competitor has.

The U. S. Department of Agriculture established that the industry spent about 150,000 a year for cartage and about a like amount for damage and spoilage caused by excess handling. In other words, there is a burden of $300,000 a year on our industry now and that is what we are trying to obviate by the establishment of new modern facilities.

Mr. Herbert Ziegler and Mr. R. Mills are both entitled to their own personal opinion. Mr. Ziegler had already given us a lease in the Kansas City Food Terminal for two units before he went to Washington and has stated in conversation to us that he would go with the balance of the trade.

Mr. I. Singer has as good reason as any wholesale merchant in Kansas City to oppose the new market. He owns his own building, but fortunately for Mr. Singer, he is a large wholesale dealer in liquors, beer and storage. The fruit and vegetable business represents only a small portion of his business. Mr. Singer can continue his liquor business in the property that he now owns and if he wants to continue in the fruit and vegetable business in his own building and now rents a stall from the City of Kansas City, Missouri.

It is true of the Kansas City market that the wholesale dealers, with very few exceptions, do not own their own buildings, practically all of them lease. The firm of DeMaria & Jensen (Mr. DeMaria being one of the parties who signed this memorandum) has a very substantial investment in land and buildings near the present city market. It is used for bottling Cleo Cola, a soft drink, and for the distribution of Rupert and Muehlebach beer. In fact this firm has one of the largest business' of its kind in Kansas City and would have just as good reason to oppose the relocation of this market as Mr. Singer.

Mr. H. Baum who has signed a lease in the new terminal owns his own building, but he recognizes that the new location would advantage him as well as the entire food industry.

We again represent to the Public Works Administration that if a grant is made to Kansas City, Kansas, and the market is actually built, that the entire wholesale fruit and vegetable business of Kansas City would be concentrated on that desirable site. During the past few years the market has become demoralized and scattered and the buyers are actually afraid to come into the north end. It is hard to realize how deplorable the conditions are in our present [fol. 526] market.

The undersigned committee has turned over to Mayor Don C. McCombs, leases signed by practically all of the merchants in the present market. If the Public Works Administration will announce a grant to Kansas City, Kansas, and Kansas City, Kansas, can actually finance the new whole-

sale market, we honestly represent to the Public Works Administration that it would be the greatest thing that could be done for the food industry in Kansas City. All of the facilities would be leased and occupied and it will be, in our opinion, the best planned market in this country.

The buildings around the City Market were the first constructed in Kansas City. They are old, dilapidated and in poor repair. The topography is rough and uneven and a plan to improve this property for railroad use and to meet the requirements of a modern wholesale market is almost unthinkable.

We therefore again endorse the proposed Kansas City Food Terminal and will be pleased to furnish verifications of any statement made in this letter.

Included in the document filed by Mr. Gratz, there is a document signed by a number of merchants operating in the Kansas City market. The names that appeared on the protest are attached hereto and for your convenient reference we have put an "X" mark after the name of every one who signed that document who has also signed a lease in the new Kansas City Food Terminal but that document was signed about one year ago. We have also indicated by the letter "R" people who are engaged in the retail business only and other lines of business. So you will note that only leaves a few who are now protesting the building of a modern market. We therefore ask that the protest of Mr. Gratz be disregarded as representing our industry in Kansas City.

J. J. DeMaria; Simon Yukon, Sec. Yukon Prod. Co.; Jack DeFeo; Ike Sarser; A. Robinson, Secy. A. Robinson & Son.

[fol. 527] (Copy)

O. C. Evans Company, by C. E. Marshall
X L. Yukon & Sons, by Benne Yukon
L. Singer & Sons Produce Company, by Milton Singer
X D'Angelo Celery House, by Faro D'Angelo
X Mallin Produce Company, by Louis Mallin
Garrett-Holmes & Company, by Thomas D. Sheahan
Michael-Swanson & Brady Produce Company, by Chester C. Michael
Henry Lorber & Company, Inc., by E. A. Lorber
X Henry Baum Produce Company, by Henry Baum
X Quality Banana Company, by H. Widlan

Clancy & Roy, by Ernest P. Roy
X H. Junsberg & Sons, by S. Junsberg
R Morris Studna
Kansas City Fruit Company, by Arthur Harris
X Litman Produce Company, by M. J. DeFeo
X Winnich Brothers, by Max Winnick
X DeFeo Fruit Company, by Henry DeFeo
X Palermo Produce Company, by Frank Palermo
X Don's Vegetable House, by Don Palermo
R Frayling Produce Company, by Louis Frayling
R. A. Robinson Produce Company, by R. A. Robinson
Sterling Produce Company, by Theodore Polito, Prop.
X Golden Rule Produce Company, by David Shane
H. Kesting & Company, by Robert Kesting
X Kansas City Tomato Company, by Thomas J. Passantino
William Horowitz
X N. DeMarea & Sons, by Frank M. DeMarea
William F. Helm Produce Company, by William F. Helm
X Winer & Saroff Commission Co., by Harry Winer
X National Produce Company, by J. L. Robinson
X Albert Passiglia
X Dreyer & Company, by A. Dreyer
X Oscar Rosenblum Produce Company, by Oscar Rosenblum
Mills Produce Company, by Nick Lombardo
X Ziegler & Company, by George O'Malley
X Phil Pisciotta
A. Reich & Sons, by Walter Reich

(X) indicates names of merchants who have signed leases on proposed market.

[fol. 528] (Copy)

August 2, 1938.

Mr. T. Ketcham, c/o Stifel Nicholaus & Co., 105 West Madison Street, Chicago, Illinois.

Dear Mr. Ketcham:

Attached you will find copy of proposed contract between City and Union Pacific Railroad which has not yet been submitted to City for approval.

I was unable to reach Mr. Randall today. I understand he is the manager of the Prudential Insurance office in this City and is not with the Shyrock Realty Company as stated to you in Chicago.

The representatives of the City Ice and Fuel Corporation are here today and negotiations will be continued with them. I anticipate no trouble in working out a satisfactory lease with this Company.

Please let me know if you will be in Kansas City, Thursday, bearing in mind that I will leave here Friday and will not return until Thursday, next week.

Mr. Cravens is in Kansas City today.

Very truly yours, G. E. Stanley.

[fol. 529]

(Copy)

Telegram

August 12, 1938.

Mr. T. Ketcham, Stifel Nicolaus & Co., 105 West Adams St., Chicago, Ill.

H. Sanford Weaver, loan inspector of Prudential went into all details regarding Kansas City, Kansas revenue bonds. He will make a favorable report to his principal. We are making progress on cold storage lease but same has not yet been consummated.

G. E. Stanley.

(Copy)

Telegram

Kansas City, August 5, 1938.

J. L. Haugh—Omaha

Your J-28 inquiring about further interest of Storage Companies. City Ice Company proposal mailed to you last night. U. S. Cold Storage has made no overtures. Frick Company is showing some interest but has not submitted definite proposition. Federal Cold Storage people disclosed real interest and I think you will be able to discuss satisfactory deal with them.

S-177 G. E. Stanley.

[fol. 530] (Copy)

Omaha, August 12, 1938.

Mr. G. E. Stanley:

For your information, am attaching statement showing comparison of the estimates on the Kansas City Food Terminal.

The first column is the estimate that I made here, including the estimates from Mr. Schulz, Mr. Gentry and our own Engineering Department, dated May 14, 1938.

The second column is the estimate that accompanied the P.W.A. application. The following facilities were added to the May 14 estimate and included in the estimate of July 12:

Second story over one wholesalers' market building	$101,494
Cold storage building	658,660
Warehouse and auction building	142,170
	$902,324
Contingencies 5%	45,116
Engineering and architectural 6%	54,140
Interest during construction 3%	27,070
Total	$1,028,650

If these three facilities were omitted and the P.W.A. grant is given, then two and one-half million dollars of bonds will be sufficient.

(Signed) J. L. Haugh

[fol. 531] (Copy)

Estimated Costs of Proposed Kansas City Food Terminal
Kansas City, Kansas

	Estimate of May 14, 1938	Estimate of July 12, 1938
Preliminary Expense	25,000	5,000
Filling, 40,000 cu. yds.	18,900	20,000
Moving dike to reclaim 6.7 A. additional land	39,330	39,330
Enclosing Jersey Creek	188,400	188,400
Sewers	27,100	37,650
Pumps, valves, fittings and pumphouse for sewers	15,000	35,494
Walls along dock track	25,500	25,500

	Estimate of May 14, 1938	Estimate of July 12, 1938
Tracks serving wholesale dealers' buildings	23,700	23,700
Widening and changing grade of Minnesota Ave.	90,310	90,310
Paving in merchants' and farmers' market	179,800	179,800
Water mains—fire protection	8,400	49,587
Lighting (street light and flood light) (f.l.)	12,000	38,000
Power and light to buildings	.....	42,000
Plant and erosion preventing	.....	20,000
Wholesalers' and brokers' market buildings:		
2-story and basement, 1,500,000 cu. ft. (1)	392,000	417,994
2-story and basement, 1,500,000 cu. ft. (1)	.....	417,994
1-story and basement, 1,078,000 cu. ft. (1)	274,600	316,500
1-story and basement, 1,078,000 cu. ft. (1)	274,600	316,500
1-story and basement, 1,078,000 cu. ft. (1)	274,600	.....
Warehouse and auction building, 590,000 cu. ft.	.....	142,170
Cold storage building, 1,480,000 cu. ft.	.....	658,660
Farmers' market, 2,140 lin. ft., 80,000 cu. ft.	72,080	166,300
Incinerator	20,000	19,700
Fences	5,800	15,000
Contingencies for all buildings	80,000	163,029
Engineering and architectural	204,712	205,417
Legal, administrative and overhead costs	.....	5,000
Interest during construction	.....	85,000
[fol. 532] Miscellaneous costs:		
Traveling, advertising, miscellaneous and clerical work during construction	.....	75,000
Total Estimated Cost	$2,251,832	$3,799,035

[fol. 533] (Copy)

August 17, 1938.

Hon. Don C. McCombs, Mayor, Kansas City, Kansas.

Dear Mayor McCombs:

Your letter August 3 to Mr. Jeffers, regarding the meeting called by Turney Gratz to be held in room 1041, Railway Exchange Building, Chicago, Thursday morning August 4:

The Union Pacific was not invited to have a representative present at this meeting. We learned through other sources that the only roads in attendance were the Santa Fe, Kansas City Southern, Rock Island and M.K.T. The Rock Island representative came only after four urgent telephone requests. The M.K.T. would not agree to any opposition to the Kansas City Food Terminal. No action at all was taken at the meeting, and Mr. Gratz wired the P.W.A. that he had not sufficient time to get information together to complete his protest, and asked for a delay.

I explained this to you orally, and am sending this letter to help complete your file.

Yours very truly, J. L. Haugh.

bc—Mr. G. E. Stanley.

[fol. 534] (Copy)

August 17, 1938.

Mr. Alton H. Skinner, City Attorney, Kansas City, Kansas.

Dear Mr. Skinner:

Continuing my letter of July 20th regarding yours of the 18th, in which you enclosed one from Mr. W. P. Waggener, General Attorney for the Missouri Pacific, about the agreement for industrial tracks east of Minnesota Avenue:

Mr. Traber and Mr. Will Waggener came to see me in Mr. Stanley's office at Mr. Traber's request for appointment.

He asked if the Union Pacific would grant the Missouri Pacific joint use of the team track yard at the proposed Kansas City Food Terminal. I told him that the Union Pacific would not be willing to grant joint use; that such joint use was neither desirable nor physically feasible, and that the switching in this yard, which must be done with extreme expedition, could not be handled with switch engines of more than one road getting in each other's way,

nor could it be alternately switched because the switch crews who handle it will have to be schooled in that particular service, and it would be a mistake to change them out every month or every few months by alternating the switching. I further told him that as I had previously agreed we would work out the most practical interchange with the Missouri Pacific that they were willing to agree upon.

Yours very truly, J. L. Haugh.

bc—Mr. C. E. Stanley.

[fol. 535] (Copy) (S-23)

Omaha, August 24, 1938.

Mr. G. E. Stanley:

The Kansas City Industrial Land Company and the Union Pacific Railroad have, from time to time, advanced funds to take care of preliminary expenses in connection with the construction of the grain elevator and of the food terminal.

The advances for the grain elevator were by The Kansas City Industrial Land Co., while the advances for the food terminal have been by the Union Pacific Railroad.

With my letter to you of June 10, 1936, I submitted a statement from the General Auditor, showing the amount advanced by the KCIL Co. for preliminary expenses in connection with the grain elevator, amount to $11,034.25. In addition to that, the Land Co. incurred an expense for making foundation tests for the grain elevator in Oct., 1935, amounting to $72.80. This item is covered by bill collectibel, Audit No. 1506 against the City of Kansas City, Kansas. The City has not paid that bill. The total owing, therefore, to the KCIL Co. for preliminary expenses if $11,107.05.

The Union Pacific Railroad Company has advanced, in connection with the food terminal, the amounts shown on the attached statement, totaling $11,939.87.

Am sending you this so that you will have record of it.

If you have any further suggestions as to procedure will be glad to have them although I assume there is nothing that can be done now except to wait until the revenue bonds are issued to cover refunding of the elevator bonds and financing necessary for construction of the food terminal.

(Signed) J. L. Haugh.

[fol. 536] (Copy)

Kansas City, August 25, 1938.

Mr. J. L. Haugh:

Mr. R. R. Bevington, Special Agent, Division of Investigation, PWA, called on me at 11:00 a. m. this morning and remained with me until 3:30 p. m. He headquarters at 232 U. S. Court House, Chicago, and is assigned by the PWA in various places of the United States.

Mr. Bevington has spent a week in Kansas City and while here has talked to many merchants, farmers, and City officials in Kansas City, Missouri and others. He wants to get our angle from a railroad standpoint and has arranged meeting with Mayor McCombs for 10:00 a. m. tomorrow morning. Mr. Bevington wants to complete his report by Wednesday of next week as he said PWA was rushing him to finish the job. There is no question about this man being entirely fair and while he made no direct admissions to me I am sure he understands the situation in Kansas City, Missouri and feels very friendly toward the Kansas side development.

Mr. Bevington requested certain information from me, particularly about Fean and DeOreo and their relationship to this deal. He wants the information submitted in writing and I will devote immediate attention to same. I will submit documents to you before turning over to Mr. Bevington.

G. E. Stanley.

[fol. 537] (Copy)

The Atchison, Topeka and Santa Fe Railway System

Railway Exchange, 80 East Jackson Boulevard, Chicago

President's Office

September 15, 1938.

Hon. Don C. McCombs, Mayor, Kansas City, Kansas, Mayflower Hotel, Washington, D. C.

Dear Mr. McCombs:

Replying to your letter of September 15th as to Public Works Administration Project No. 1356, Wholesale Fruit and Vegetable Market, Kansas City, Kansas:

I stated to you in our conversation in Washington that construction of the large terminal as planned would be very detrimental to the interests of the Santa Fe Railway Company. I have not changed my views in respect to that. Notwithstanding this the Santa Fe has not filed a protest against the pending application. Investigators have called on representatives of this company to discuss the matter. Whatever these gentlemen said expressed their views in respect thereto.

Under the proposed arrangement there would be located on one out of the thirteen railroads which serve Kansas City a produce terminal and yard to which the other railroads would have access only through a switching arrangement. It would involve the need for all lines entering Kansas City to switch business consigned through this terminal to the Union Pacific and such as may be diverted returned by the Union Pacific to lines to which it needs to be routed beyond Kansas City.

The Santa Fe and Union Pacific are direct competitors for most of the perishable traffic entering Kansas City from the west and the location of a produce terminal exclusively on one of these lines instead of on a belt or neutral line would give a tremendous advantage to the line serving the terminal in securing business from the origin territory.

Yours very truly, (Signed) S. T. Bledsoe.

[fol. 538] (Copy)

Department of Agriculture,
Washington

September 27, 1938.

Hon. George McGill, United States Senate.

Dear Senator McGill:

Your letter of September 23 asks for a summary of the proposed wholesale market for fruits and vegetables in Kansas City and also asks for the views of this Department concerning the project submitted to the P. W. A. (Kansas P. W. A. 1356) for a grant in connection with the proposed market.

First, may I say that this Department is extremely interested in improving wholesale markets for perishable farm products. We believe that public funds can well be used for

this purpose whenever it is clear the reorganization of a market will result in real economies in marketing and distribution, will bring about better or freer competition, and will be so managed as to benefit as large a group of farmers and consumers as possible.

The situation in Kansas City was brought to the attention of this Department in the summer of 1937. Since that time the Bureau of Agricultural Economics, in cooperation with the Kansas and Missouri Agricultural Colleges, has done a substantial amount of work in developing plans for reorganization of the Kansas City market. The Bureau has gathered a great deal of detailed information and has made the results of its studies available to the P. W. A.

The present market serving the Kansas City area was built many years ago. It has become inadequate for handling the wholesale business. Since very few stores in the market are located on the railroad, most of the produce arriving by rail must be trucked to the wholesalers' stores through congested traffic at a cost of around $150,000 a year. In addition, costly spoilage results from this unnecessary handling.

Farmers, with no adequate place to sell, back their trucks along the curb in front of the wholesalers' stores. Other trucks must park some distance away and produce often must be carried by hand between these trucks and stores for distances of a block or more. This necessitates additional charges for paying porters. The stores themselves are not properly equipped for handling fruits and vegetables efficiently and are so scattered that good market organization and satisfactory regulations are almost an impossibility. [fol. 539] For several years both farmers and dealers have been complaining about conditions on the market and have been urging that something be done. Satisfactory improvements in the present location are virtually impossible due to topography and to the lack of space available at reasonable cost.

The Kansas City, Kansas, project would move the entire wholesale market for the Kansas City area to a 62-acre tract of land owned by the city. This tract is near the Kansas-Missouri boundary line and is convenient to all parts of the city and outlying areas. We believe the location to be the best obtainable in either city. A market on that location would be readily accessible by rail, motor truck, and by boat.

Modern facilities would be constructed, providing space for farmers and wholesalers. The proposed rail facilities are probably as good as can be found in any market in the country and would make it possible to unload produce directly into the stores in the market without cartage and other handling costs. All railroads would be given *ex*cess to this market and charges would be regulated by the Interstate Commerce Commission.

The City of Kansas City, Kansas, would own the entire market but would lease it to the trade, to the farmers, and to the railroads on favorable terms based on the cost of the project. The management of the market would be placed in the hands of the users of the market, with authority to establish and enforce necessary regulations. We believe this market could be better regulated than most markets in the country since it would all be confined within one fenced-in area. Land is available for future expansion when and if necessary.

A counter-proposal, it is true, has been made for a new fruit and vegetable market in Kansas City, Missouri. In our opinion that proposal is entirely inadequate to meet the situation. The space would be inadequate, there would be no rail connections, and facilities would not be satisfactory either for wholesalers or for farmers.

This Department has not studied all the details of construction in connection with the Kansas City, Kansas, project, but the sponsors of the project have expressed what we believe is a sincere willingness to make such modifications in the details of construction and management as will make for efficiency and economy. We have some hopes that the cost of these facilities may be reduced somewhat below the estimates as submitted to the P. W. A. With this exception, which need not prevent immediate inauguration of the project, we feel we should give our wholehearted approval to the proposed Kansas City, Kansas, wholesale market.

We believe it would be a very substantial benefit both to the farmers and to the general public, not only in Kansas City but in the surrounding area which includes several states. The Kansas City market receives fruits and vegetables produced in about forty States and redistributes these products to buyers from six States. A reorganization of the Kansas City market is badly needed. This project would overcome most of the difficulties of the present situa-

tion, particularly if the costs can be kept within reasonable limits.

[fol. 540] We sincerely hope that this project may be approved quickly in order that construction can proceed rapidly enough so that the market will be ready before the 1939 crops go on the market.

Sincerely yours, (Signed) H. A. Wallace, Secretary.

[fol. 541] (Copy)

Omaha, October 15, 1938.

Mr. G. E. Stanley:

I had a long conference, yesterday, with Mr. Sinek, Mr. Rhode and Mr. Von Weise of the Federal Cold Storage Co., about lease of the cold storage building in the Kansas City Food Terminal. Mr. Armstrong, Mr. Whyte and Mr. Wall of the P. F. E. Co., also were present.

The best proposition we could get from them is a rental of $35,000 per annum, and if they make the lease they will expect an ice contract from the Union Pacific at competitive prices. This falls $18,000 short of the rental set up by the bankers.

After the meeting with the Federal people, I talked with Mr. Ketcham and Mr. Casey of Stifel, Nicolaus & Co. The question was, how to make up this difference. They contend that the difference must be made up by other leases that will stand the test of security for the investors in the bonds.

In our set-up, it is proposed that the northerly block, 40 ft. x 450 ft., fronting on Minnesota Avenue, be leased to an oil company for automobile and truck service station, including scales. We set up the revenue at $10,000 per annum, anticipating that the lease would be on a gallonage royalty basis. If we could make this a straight lease, and make it to Phillips Petroleum Co. or to Socony-Vacuum Oil Co., that could be used in the basic rental.

Another source of added revenue would be for the Board of Public Utilities to increase its rental, and that could be done because the net earnings from the project, over and above the bond interest and amortization, will go into the city treasury. Based on our estimate of earnings, the bonds will be paid off in 15 to 20 years, so that it really should be no hardship on the Board of Public Utilties to make a minimum and maximum rental similar to the suggestion for the Union Pacific lease.

Will appreciate it if you will give this study, and we will talk it over when I see you.

(Signed) J. L. Haugh.

[fol. 542] (Copy) (S-20)

Stifel, Nicolaus & Co.

St. Louis, October 19, 1938

Mr. Guy E. Stanley, 717 Railway Exchange Bldg., Kansas City, Missouri

Dear Guy:

Referring to our telephone conversation today, at your earliest convenience will you please send the following to our Chicago Office: (Bankers Building)

(1) Dunn & Bradstreet's report on Hart-Bartless-Sturtevant Grain Company.

(2) Current financial statement of this company.

(3) Letter from Kansas City Bankers as to this firms' general responsibility, etc.

(4) Some proof as to the fairness of this company's present lease. If possible suggest you get letters from several similar firms stating they think the lease of Hart-Bartlett-Sturtevant Grain Company is all right and that they would take it at the same or higher rental.

(5) Some evidence of the importance of this firm in the general grain trade in the Kansas City market.

If it is not too much trouble, please send us copies of these papers.

With regards, I am

Very truly yours, (Signed) Wuss, Assistant Vice-President.

RRC*MM

P.S. Haven't heard anything further from your "boy friend" Turney Gratz. RRC

[fol. 543] Afterthought:

With reference to Item (4) asked for on preceding page, it seems to me that the best evidence as to the fairness of

this company's present lease would be the rental paid for similar grain elevators as well situated. Can't you furnish some evidence as to present rentals being paid for other elevators in Kansas City, Kansas, or Missouri. RRC

[fol. 544] (Copy) (S-25)

Memorandum

Kansas City, Mo., October 22, 1938

Mr. G. E. Stanley:

Referring to my memorandum of the 21st, the following additional calls were made yesterday on representatives of produce firms, to develop their views concerning the new produce terminal to be built on the Kansas City, Kansas site:

Littman Produce Co., Mr. Littman:

Was very friendly and pleased with outlook for new produce terminal. Feels it will be very helpful to the trade generally.

DeFeo Fruit Co., Mr. Jack DeFeo:

He is, as you know, very strong for the Kansas site terminal. Feels any exceptions that may be taken by receivers at this time will rapidly be overcome, and the new facilities welcomed by all.

H. Lorber & Co., Mr. Lorber:

Talked at some length regarding plans for a new terminal here; stated — had fully discussed this with Mr. Haugh awhile ago, and hoped agreements could be reached whereby one terminal property could be provided and located so as to bring about the full support of all interests; stated a new substantial facility was, of course, needed to bring about an enlarged operation in this terminal, and that the present location would never be adequate to do this. Mr. Lorber indicated that so long as the Kansas side terminal had been approved, it would have his support.

Winnick Bros., Mr. Winnick:

Offered no objection, stating they were with us, and would make such changes in their present operations as might be necessary to use the new terminal whenever it is ready.

Michael, Swanson, Brady Produce Co., Mr. Wolf:

This company, as you also know, is favorable, notwithstanding they have property on this side near the present market.

A. Robinson & Sons, Mr. Robinson, Sr. & Son:

Very favorable, and they believe we will ultimately receive the support of all interests, Kansas City being greatly in need of new facilities for produce marketing.

[fol. 545] Grovier Starr Distributing Co., Mr. Partridge

Feels this will prove most helpful in future marketing, not only in local handling, but result in increased volume through this terminal.

Gene McAllen Brok. Co., Miss McAllen:

Will be glad to go along with us. Did say, however, the building of both terminals might result in some increase in their operating costs, due to additional forces that may be necessary in taking care of their requirements at both places, however, is very favorable to our line.

Schultz Brokerage Co., Mr. Shultz:

While entirely friendly to our service and will support us, did question the possibility of two markets being able to operate here successfully, as it was his understanding the building of terminal on present market site had been decided on and would be constructed, regardless of any government help that had been previously requested.

H. Kesting—Mr. Stephens:

This firm is entirely friendly, and while they have three buildings on the present market site, and, of course, would like to continue using them—otherwise, might result in some loss—they will endeavor to work things out in a satisfactory manner, continuing the support they have always given us.

Have a few more of the important firms to see, which will make report on as early as possible.

R. A. Peters.

(Initialed.)

[fol. 546] (Copy) (S-20)

Stifel, Nicolaus & Co.

St. Louis, October 31, 1938

Mr. Guy E. Stanley, 717 Railway Exchange Bldg., Kansas City, Missouri

Dear Mr. Stanley:

We appreciate more than we can express the most cooperative attitude expressed by you over the telephone today when you requested of us that we give assurance of our willingness to release the City of Kansas City, Kansas, of its obligations to us in the proposed Terminal bond issue, and we hasten to assure you that immediately upon advices from you, or any other official of the Union Pacific Railroad, that the bond issue as now set up can be placed, any and all necessary formal release will be promptly forthcoming.

We would, however, like to recover the expenses incurred by us in assisting you and others in the development of this deal, and therefore would appreciate your bearing same in mind and should there be any revamping or any additional security be given the bonds, along the lines we discussed with you and Mr. Haugh, we would expect to be given first opportunity to consider such financing. Otherwise, as stated previously, if the bonds can be placed as now set up, we will promptly withdraw without any reservations.

Thanking you for your kind consideration and continued cooperation, we are

Very truly yours, (Signed) A. G. Stifel, President.

AGS*MM

[fol. 547] (Copy)

Union Pacific Railroad Company

Telegram

Red Hot Rush

KC Mo 10-31-38

JLHaugh—New York City:

Referring to copy of providing ordanance mailed you yesterday, Bond Counsel agree to insert sub-section (c) in Section 8 reading as follows:

Quote (C) In the event that all of said proceeds are not required for the purposes aforesaid, the surplus shall be re-

tained by the city and paid into the Bond Fund hereinafter created and used to pay interest on and principal of the Public Levee Terminal Revenue Bonds of the city issued pursuant to the provisions of this ordinance End Quote. Mr. Skinner agreed to support a provision in bond purchase agreement permitting bankers to designate competent civil engineer to whom all plans and specifications must be submitted, and further requiring the joint approval of such engineer and the City Board. The arrangement would also permit the engineer to sign all estimates and supervise inspection. The engineer would not be paid by the city and would serve as an independent representative of the bankers with power to veto.

It is necessary to deliver providing ordinance to publisher by noon today to assure publication in official city paper tomorrow afternoon. Any change in maturity schedule will slow down our progress, but if any change required, that should reach us early today as possible. This should be avoided unless there is material objection to the present setup.

GES—9:45 AM.

[fol. 548] (Copy) (S-20)

Union Pacific Railroad Company
New York

November 2, 1938

Mr. Guy E. Stanley, 717 Railway Exchange Bldg., Kansas City, Mo.

Dear Mr. Stanley:—

Public Levee Bonds

I have received this morning copy of your letter of yesterday to J. L. Haugh, enclosing the form of bond purchase offer drawn for you by the counsel for the city.

The form seems to me substantially defective in that it contains no condition as to the discharge of the prior revenue bonds now held by the R. F. C.

It is quite impracticable, in view of the expedition with which this matter must be closed, for me to pass on papers or details- Accordingly I have this morning telephoned Arthur Spencer at Omaha, asked him to get from you a copy of the draft of purchase offer and to assume responsibility for the transaction the rest of the way.

Very truly yours, (Signed) Henry W. Clark.

[fol. 549] (Copy) (S-20)

Stifel, Nicolaus & Co.

St. Louis, November 4, 1938

Mr. Guy E. Stanley, 717 Railway Exchange Bldg., Kansas City, Missouri

Dear Mr. Stanley:

Mr. Cravens telephoned us from Kansas City advising that the Union Pacific had agreed to take the $3,000,000 Kansas City Terminal bonds for their own account.

While, of course, we are delighted for your sake, due to the tireless efforts you exerted in this project, we are nevertheless somewhat disappointed as it is not exactly what we anticipated you had in mind when you asked us to release the bonds for possible sale to others. Mr. Cravens, however, did tell us that you had decided to advise the PWA people of your contemplated purchase. We are pleased to learn this, for it relieves our only apprehension occasioned by numerous requests of the writer personally for assurances that the bonds would not be owned by the railroad for its own account.

Rather than our releasing the bonds to the city, don't you agree it would be better for us to purchase them under our contract and deliver them to you, particularly since you plan to inform the Government of your position. Should you decide to have us take up the bonds, would it not be in order for us to purchase the bonds at par, in accordance with our contract, and deliver them to you at 100½ which price would barely cover the actual expenses incurred by ourselves and partners during the many months of developing this trade with you. Undoubtedly you realize that we contributed some very valuable and constructive thoughts and material advantages to the deal, and I would appreciate it if you and Mr. Haugh would give this your usual courteous consideration.

Awaiting your further advices, and with kind regards, I am

Cordially yours, (Signed) A. G. Stifel.

[fol. 550] (Copy) (S-20)

November 5, 1938.

Mr. Arnold G. Stifel, President, Stifel, Nicolaus & Company, 14 N. Broadway, St. Louis Missouri.

Dear Mr. Stifel:

Referring to your letters of October 31, and November 4, about revenue bonds issue of Kansas City, Kansas.

The City Attorney advised that your proposal expired by its own terms because you were required to approve or disapprove the security offered within thirty days following the submission of definite financial information. The same was furnished by the Mayor's letter to you under date of July 12, 1938. However, and especially on account of the fact that your firm had done much work on the deal, I stated to you over the telephone, that if the security were increased or the bonds sold on more favorable terms, it was only fair that you be reimbursed for your actual expenses, or at least offered the bonds under improved set-up. The commit-ment of the Union Pacific was not increased and it would have been hopeless in view of your expressed attitude to have negotiated further with you about the purchase of the bonds.

Both Mr. Haugh and I concluded that the limitation fixed by the PWA would not permit of sufficient time for the City to familiarize and negotiate with new bankers. Our only hope in saving the deal was to appeal to our Executive Committee which authorized the purchase of the bonds at par and accrued interest.

I have mailed your letters to Mr. Haugh.

The City is now endeavoring to secure an extension of time, and if allowed, it will also give us time in which to consider your further suggestion of purchasing the bonds through you.

You will understand that I assume no authority to accept such a proposal or obligate anyone to reimburse you for your expenses. I appreciate the cooperative attitude shown by you since our conference at St. Louis and will therefore reciprocate that treatment if the situation permits.

In the event we purchase bonds direct or through a broker, our full interest in the transaction will be disclosed to the PWA.

Very truly yours, G. E. Stanley.

[fol. 551] (Copy) (S-20)

Stifel, Nicolaus & Co.

St. Louis, November 9, 1938.

Mr. Guy E. Stanley, 717 Railway Exchange Bldg., Kansas City, Missouri.

Dear Guy:

We are in receipt of your letter of November 5th and note that you have forwarded our letter to Mr. Haugh for consideration of the suggestion that you purchase the Kansas City, Kansas, Bonds through us, rather than direct. Under the circumstances, we will not reply to Mr. Skinner's letter of November 7th requesting the release of the City until we have heard definitely from you as to your and Mr. Haugh's decision with reference to our status and the method of handling this purchase.

We thoroughly appreciate that no committment was made for any compensation to us, and merely suggested it because we cannot pursuade ourselves that under all the circumstances the same is not justified.

Awaiting with interest your further advices, with regards, I am

Very truly yours, (Signed) R. R. Cravens, Assistant Vice-President.

RRC*MM

[fol. 552] (Copy) (S-20)

November 10, 1938.

Dear Wuss:

I am in receipt of your letter of November 9th.

It has been definitely decided that we will buy the bonds direct, and there is no way in which we can justify the reimbursement to your company for expenses incurred. I regret exceedingly, that you were not able to effect this deal but believe that you will acknowledge that our company and myself, did everything we could to facilitate your negotiations and consideration of the security offered. I can definitely assure you that the security was not improved in any way. I will therefore appreciate if you will promptly execute the release requested by Mr. Skinner and facilitate our purchase of the bonds.

Our General Counsel insisted on the bonds being advertised for sale and I am advised public bids will be taken on next Tuesday, November 15th. At that time we will offer the bonds at par and accrued interest unless advised by you that you wish to make the same bid and can promptly take up and pay for the bonds.

I am sorry to disappoint you about this matter. There was some reluctance on the part of our people to purchase the bonds at all and since they have decided to do so, I only have an added responsibility to see that the bonds are paid. I believe and hope that we have made no mistake. After the credit of the enterprise is well established and we want to negotiate the sale of the bonds, I may or may not be, working for the Union Pacific. It will somewhat depend on how the enterprise turns out, but if I am on the job, I might be able to open up negotiations with you for the purchase of the bonds at the right time. However, it is a future, vague possibility, and you will understand I make no definite committment regarding same.

I trust that you will send the release to Mr. Skinner tomorrow.

With all good wishes, I am

Very truly yours, G. E. Stanley.

[fol. 553] (Copy)

Law Offices

Leonard Ulmann
514-520 Law Bldg.
Kansas City, Missouri

November 29, 1938.

Mr. Guy E. Stanley, Executive Ass't. to President, Union Pacific Railroad Co., Railway Exchange Bldg., Kansas City, Mo.

In re: Services William Fean in behalf of the Union Pacific Railroad in the promotion of the Wholesale food terminal of Kansas City, Kansas.

Dear Sir:

In reference to the above matter, Mr. William Fean, has employed me as his counsel to file suit or negotiate a settlement of his claim against the Union Pacific Railroad

for the work done in this matter and to enforce the agreement made with you in Washington, D. C. in October.

I will be pleased to confer with you in reference to the above matter at your earliest convenience, as my client is insisting upon immediate settlement of this matter as unless an equitable settlement can be negotiated immediately, suit to protect his interests in the matter will be filed.

Yours truly, (Signed) Leonard Ulmann.

[fol. 554] (Copy)

Kansas City, Missouri,
December 1, 1938.

Mr. Leonard Ulmann, 1207 Grand Avenue, Kansas City, Missouri

Dear Sir:-

After being fully advised about your conference with Messrs. Hal R. Lebrecht, E. M. Dodds and Turney Gratz in the office of the Northside Business and Improvement Association on October 28th, 1938, where you misrepresented me, I hereby discharge you as my attorney.

Yours truly, (Signed) Wm. Fean.

[fol. 555] (Copy)

Kansas City, Dec. 1, 1938.

Mr. Guy E. Stanley, Executive Assistant to the President.

Dear Sir:

Due to the appearance of the action that my attorney has displayed in furnishing our oppositionist, with such information as you have shown me today in the twenty-nine page transcript, I have today discharged him, and from the appearance it looks to me, like there is a clear sell out as no man would sit down and answer such questions, as shown in this transcript, by three or four people of the type of Gratz. Therefore I believe he had the full knowledge of the action.

Accept this letter as a cancellation of any communications you have, or will have in the future from him in my behalf. I also will appreciate it if you will be kind enough to present me, with a copy of that transcript, for my protection and my future actions against him.

I will not at the present time raise any disturbance with him, until our project is well along, but I assure you that the bar association will certainly hear later on about this gentleman, who claims he is protecting his clients; and deliverately selling them out.

Yours truly, (Signed) Wm. Fean.

[fol. 556] (Copy)

December 6, 1938.

Mr. Leonard Ulmann, 1207 Grand Avenue, Kansas City, Missouri.

Dear Sir:

Your letter of November 28th.

The Union Pacific has no obligation to you or your clients. I made no agreement for myself or the Union Pacific with you or your clients.

There is nothing to negotiate.

Yours truly, (Signed) G. E. Stanley.

[fol. 557] (Copy)

December 7, 1938.

Messrs. Alonzo H. Gentry, 4 West 13th Street, Kansas City, Missouri; Walter F. Schulz, Shrine Building, Memphis, Tennessee; Joseph W. Radotinsky, Commercial National Bank Bldg., Kansas City, Kansas.

Gentlemen:

Mr. Charles Irrgang, one of the outstanding men in the produce business is also interested in the Super Electric Company, 1442 South Racine Avenue, Chicago.

Mr. J. T. H. Armstrong with the Pacific Fruit Express Company has requested Mr. Irrgang's company be put on the bidding list for electrical work in the new food terminal.

I will appreciate if each of you will write Mr. Irrgang direct in care of the Chicago Produce Market and give him information as to about the time the electrical work will be up for bidding and also assure him that you will let him know at the proper time.

He has been very helpful in assisting and laying out plans for the food terminal and can be of further material help.

Very truly yours, G. E. Stanley.

[fol. 558] (Copy)

Union Pacific Railroad Company

Omaha, Nebraska

December 8, 1938.

Honorable Don C. McCombs, Mayor, and Board of City Commissioners, City Hall, Kansas City, Kansas.

Gentlemen:

Attached herewith is a formal relinquishment from the Union Pacific leased property of the land required for the construction of the auction house in the Kansas City Food Terminal.

The original lease was approved by the Board of City Commissioners with the understanding that this property would be released if it were determined to be necessary for the auction house. That eventuality has occurred, and I am, therefore, enclosing the fully executed relinquishment.

Yours very truly, (unsigned).

[fol. 559] (Copy)

Kansas City, Missouri,
December 15, 1938.

Mr. J. L. Haugh:

Miss Robbins has gone over all my expense accounts to apply against money advanced for food market. I have not had time to check same in detail, but expect to forward the completed statement to you tomorrow. However, I have spent all the money advanced by Union Pacific and some of my personal money also, but will ask for no reimbursement for that until you have approved my expenditures to date.

Miss Robbins also ascertained that I had not taken receipts for all money advanced to Messrs. Fean and DeOreo. Accordingly, Mr. DeOreo has signed attached receipt for $495.00, listing advances made by me from time to time, for which he had not previously receipted. Most of the advances received by Mr. DeOreo have been since I returned from Washington, October 15th, and the ones preceding that were oversights on my part. I gave Mr. Fean $100 after my return from Washington, for which his receipt is

attached. Miss Robbins is also of the opinion that I have not been reimbursed for all money advanced to Mr. Fean, but has not completed her check. I am only asking for reimbursement based on receipts signed by these parties and have included same on my November expense account. Will appreciate if you will expedite payment of this account.

G. E. Stanley.

[fol. 560] (Copy)

At Kansas City,
December 19, 1938.

Mr. F. W. Robinson, Mr. H. C. Mann:

We had a meeting today with representatives of the Missouri Pacific about interchange for the Kansas City Food Terminal.

The following were present representing the Missouri Pacific:

Mr. R. C. White, Asst. Mgr.
Mr. H. L. Traber, Executive Agent
Mr. W. P. Waggener, Gen'l Atty., Kansas
Mr. Watson, A. G. F. A.
Mr. Johnson, G. F. A.
Mr. Havard, Asst. to J. Cannon on contracts.

The following were present, representing Union Pacific:
Mr. G. E. Stanley
Mr. J. E. Davis
Mr. C. P. Cahill
Mr. C. C. Weedin, and myself.

Mr. Traber of the Missouri Pacific asked:

(1) If the Union Pacific would be agreeable to making the interchange with Missouri Pacific at the yard immediately north of the team track yard for both receipts and deliveries. We explained to the Missouri Pacific that nothing could be done that would be discriminatory in service; that is, if the Missouri Pacific were permitted to make their interchange at this point which would expedite their traffic, then it would be necessary to hold out the same offer to other lines and in order to do that it would be necessary for the Missouri Pacific to say that other lines could use the Missouri Pacific's track for about 1,900 feet between James St. and the Intercity Viaduct. Union Pacific has

joint and full use of this track, but the Missouri Pacific holds the authority to let other lines use it. The Missouri Pacific did not answer this question, but indicated that if they should open that route for interchange to other lines, then they would require a rental charge and that rental charge would be the same as is being paid the Frisco in a similar situation: i.e., 50¢ per car and $1.00 per engine. If this interchange is to be used the Missouri Pacific indicated that they would expect a lower rate for the switching service in the Food Terminal than the one that will be generally published.

They then asked:

(2) If the Union Pacific would grant the Missouri Pacific a lower rate than the regular published tariff, if the Missouri Pacific interchange as to both receipts and deliveries were handled in the north yard. We asked them what they had in mind, and they said one-half the published tariff. [fol. 561] We told them that this was out of the question as it was discriminatory and could not be justified. They stated that because of handling both receipts and deliveries at a point so close to the team track yard there would be a substantial saving to the Union Pacific, and the Missouri Pacific should be compensated for its additional service. Mr. Cahill, after considerable study and explanation, advised he did not believe it would save the Union Pacific any expense because the Union Pacific would have to handle all receipts and deliveries of the Missouri Pacific other than perishables in the formerly established interchange, and that to separate out the perishables from that interchange would not result in any saving.

(3) We asked the Missouri Pacific if they were agreeable to the construction of the joint tracks on the Public Levee east of Minnesota Avenue and south of Jersey Creek on the revised plan accompanying the revised agreement which the city had sent to them. After considerable discussion they advised that they would join in the tariff and join in the cost of construction and maintenance, but that they were not yet ready to sign the contract.

They are evidently waiting on signing this contract until something is done about the interchange.

The Union Pacific representatives believe that initially all interchange with other carriers should be made as at

present and that that should include the Missouri Pacific. After the Food Terminal is in operation and we get an opportunity to study the effects of it, then it may prove advantageous to make a change with respect to individual carriers, such as the Missouri Pacific. They also are of the opinion that the Union Pacific cannot make a lower rate to the Missouri Pacific than is made to other carriers.

Will appreciate your consideration and advice on these points.

(Signed) J. L. Haugh.

cc—Mr. G. E. Stanley, Mr. J. E. Davis, Mr. C. P. Cahill, Mr. C. C. Weedin.

[fol. 562] (Copy)

Kansas City, Mo.,
December 24, 1938.

Mr. T. M. Lillard, Topeka, Kansas:

Attached you will find by-laws of the Kansas City Food terminal Market Association proposed by Mr. J. T. H. Armstrong, Assistant General Manager of the Pacific Fruit Express Company. I also enclose a pamphlet issued by the Central New York Market Authority which may give you some ideas about things that should be included in a charter for a corporation to be organized under the laws of Kansas.

We will appreciate if you will draw, at your earliest convenience, articles of incorporation which we can submit to a merchant's committee of this city applying to the wholesale market now under construction.

G. E. Stanley.

[fol. 563] (Copy)

Kansas City, Mo.,
December 27, 1938.

Mr. J. L. Haugh:

Attached are copies of two letters received by the City regarding P. W. A. grant.

Referring to letter from Mr. H. A. Gray, Assistant Administrator, Mr. Skinner has promised to secure certificates from each of the depository banks and forward to Washington, D. C.

Regarding the letter to Mr. C. I. McIntyre from the Ft. Worth P. W. A. Office, I am at a loss to explain what Mr. Norton may have said that would affect this grant. However, Mr. Norton will be in Kansas City with Mr. Schulz next Thursday and I will talk to him specifically about the conversation, referred to.

We are arranging a meeting for tomorrow night, December 28, with all architects and engineers and the City Commissioners to agree on a coordinating engineer. Mr. Schulz will not be at this meeting but will arrive in Kansas City the following morning. There seems to be some resistance to naming Schulz. In addition to his general qualifications as an engineer, he answers letters promptly and would be a good correspondent between the City and P. W. A. As matters stand at the City Hall, Mr. Skinner writes some of the letters, the Auditor writes others and the City Clerk occasionally writes letters at the direction of the Board. These letters lead to confusion and it would be especially helpful if all correspondence could be handled by one office and one person and thereby avoid any confusion such as indicated by this letter.

G. E. Stanley.

[fol. 564] (Copy)

December 31, 1938.

Personal

Mr. J. T. H. Armstrong, Pacific Fruit Express Co., Chicago, Ill.

Dear Jim:

Mr. Lillard has a charter prepared and wants to go over it with you and me some time next week.

The Merchants Committee has allocated space and numerous leases are being taken. It looks like we can lease all of the space readily and I am particularly anxious to hold out some good space for Mr. Lorber, O. C. Evans and other prominent merchants whom you know.

Yesterday a suit was filed in the name of L. Singer, Mr. Helm and a minor group, including the Merchants Bank and the North Side Business and Improvement Association, to enjoin the Union Pacific from building the terminal tracks. The suit was filed in Federal Court at Kansas City, Missouri. Our Attorneys do not regard the case as serious.

If convenient for you to do so, wish you could arrange to be here next week and help us out for a few days. Will appreciate a wire from you when you can come so that I can notify Mr. Lillard.

With all good wishes for the New Year, I am.

Very truly yours, G. E. Stanley.

[fol. 565] (Copy)

Kansas City, Mo.,
January 5, 1939.

Mr. Walter:

The two units picked out for Lorber & Company are well located. They are numbered 124 and 126, being across the street from the parking station. Have reserved two units on one side for Zeigler & Company. De Feo Fruit Company, Mallin Produce Company, A. Robinson & Sons, Mike DeFeo, Winer & Saroff, L. Gordon, Dreyer & Company, National Produce, D'Angelo Celery House and Quality Banana Company also have leases in this building. Joe DeOreo has two units in this building, but will sublease them to some good merchants.

This would make a fine location for Mr. Lorber and hope you can arrange for him to reserve the space. You will note spacing of elevator, stairs and refrigerator boxes. No rent for the first month; second month, $100 for two units; third month, $100; fourth month $100, and thereafter at monthly rate of $300. Two railroad tracks will adjoin unloading platform.

On account of demand for space in buildings adjoining Minnesota Avenue, this space can be quickly leased and was held out at your request. Please advise if Mr. Lorber wants it reserved.

After wholesale meat firms, fish, cheese, cash and carry grocers and other food lines are taken care of, all the units will be leased. Believe building will be ready for occupancy in June, 1939. Itinerant peddlers will be barred. The market area will be fenced and the trade itself can run the market. Leases should be signed in triplicate.

G. E. S.

(Pencil note: Attached to blue prints).

[fol. 566] (Copy)

Fairfax District,
Kansas City, Kansas,
January 19, 1939.

Mr. B. H. Prater:

Your letter of January 12th regarding plans, specifications, and so forth for the Kansas City Produce Terminal buildings.

When this project was first conceived two years ago the architectural firm of Alonzo H. Gentry, Voskamp, and Neville was called in to design the market. This Missouri concern was close to the political powers in Kansas City, Missouri designing a large share of their public buildings and it was thought they could quiet down much of the opposition from the Missouri side which always arise when any development is contemplated on the Kansas side. Changes and revisions were so fast it was impossible to keep up with them so that the closing date of receiving P. W. A. applications at that time was almost at hand before anything could be agreed upon and as a result the original application was drawn up based on meager information of the requirements, very brief sketches, and the most approximate estimates. A copy of these estimates is attached for your information totaling $3,423,618. This application was not approved by the P. W. A. on account of lack of funds.

With the new allotment of P. W. A. funds in 1938 the city was advised to resubmit their project using same totals as in previous application and to include sufficient plans and details for reasonable check. So much opposition had developed in Kansas City, Missouri, that the Kansas people brought in Joseph W. Radotinsky, former Kansas State Architect and Walter F. Schulz, Consulting Engineer of Memphis, and tentatively divided the work between them. Using Union Pacific layout as a basis plot plan, sketches were made of other facilities including typical floor plans and sections but depending mostly on nar-ative description.

The project was resubmitted to Fort Worth in June approved by that Regional Office and forwarded to Washington where the fight began. You are probably familiar with the long struggle at Washington resulting in P. W. A. approval on the last day allowed.

Instructions from Fort Worth at that time were that P. W. A. requirements would be satisfied if contract for one part of the work were awarded and actual construction started by December 31, 1938 and as the plans and specifications for enclosing Jersey Creek were most advanced this portion of the work was selected, plans were approved by P. W. A. and bids advertised for to be received December 6th.

November 24th P. W. A. sent an engineer to Kansas City with the information that the job should be divided into units (suggesting 12 or 13) and that contracts for some portion of the work of each unit and on each building must be let and actual physical work done before December 31, 1928, or that otherwise P. W. A. grant would not apply to any unit or building on which no work was done. Letter dated November 26, 1938 from the city officials, architects, etc. to Mr. Bull, Regional Director, P. W. A. divided [fol. 567] the total project into *into* eight units and set up schedule for preparing plans, receiving bids, awarding contracts, and starting initial work together with probable date of completion of plans and awarding contracts for balance of the work. A copy of this letter is attached.

The P. W. A. accepted this working schedule and every one was organized on a 16 hour working calendar day schedule. Plans and specifications were prepared, taken to Fort Worth, tentative approval received, jobs advertised, bids received, contracts awarded and work started within the compliance limit.

Necessarily there were numerous errors, adjustments and changes but time was so short these corrections and changes could only be taken care of by addenda or change order which is the usual P. W. A. method. Since the preparation of the plans for the preliminary work each architect and engineer has been working on the same intensive schedule preparing plans, etc. for buildings, superstructures, and other facilities and utilities of each unit. The architects and engineers are now at Fort Worth getting P. W. A. approval on or corrections of these plans. It is expected that bids will be advertised for the completion of all building except the cold storage building January 19th and bids will be received February 2nd. Plans for the completion of the cold storage building cannot be prepared until lessor is fully determined.

In as much as bidding plans with addenda and change orders are the only plans on which the job is actually being constructed, I have been sending these to you as fast as they were available in accordance with my understanding of your personal instructions. However if you wish the plans held here with addenda and change orders until the job is completed that can be done but it would be difficult to keep you advised what was being done and contemplated. We will handle this which ever way you desire.

Attached statement on P. W. A. stationery lists the five contracts awarded to date. The item engineer's estimate was intentionally made high on the advice of P. W. A. officials as the law requires that if no bid is received below the engineer's estimate contract cannot be let and work must be re-advertised. This would have thrown the entire job out as there was not enough time to re-advertise and award contracts so that work could be in operation before December 31st. The actual amount included in the original estimate for these may be ascertained from the details what original estimate enclosed herewith.

Plans and specifications for item #1 were sent you by Mr. Stanley the latter part of November. Mr. Schulz is working up revised sections at the railroad crossings and will forward to you direct shortly.

[fol. 568] Item #2, building foundations plans & specifications "A" to "H", must have been lost in the mail as you did not receive same. An additional set will be obtained and forwarded you shortly. The plans consist of sheets 1 to 8 and cover foundations for the four produce buildings "A" to "D", auction warehouse "E", cold storage warehouse "F", incinerator "G", and farm market stalls "H". As units "A" to "D", inclusive, were awarded to Gentry, Voskamp, and Neville and the balance to Mr. Radotinsky the two firms collaborated in these plans.

Item #3, widen and reconstruct pavement of Minnesota Avenue Extension, was taken away from the outside architects and engineers by the city and turned over to Mr. C. E. Peterson, City Engineer. These plans you have and I am promised a set of specifications within a few days.

Item #4, wharf, retaining walls, and pavement are drawn on sheets 8 and 9 prepared by Mr. Schulz, which you have together with specifications.

Item #5, lateral sewers, is detailed on sheets 10 & 11 which were prepared by Mr. Schulz. You also have copies of these plans and specifications.

As fast as other contracts are awarded I will advise you in full regarding same. It is planned to award buildings "A" to "D", above piling, in one contract including all the mechanical features. Units "E", "F", "G" and "H" will each be one separate contract above piling. The earth fill, street paving, curbing, water mains, railroad tracks, turnouts, planing and erosion preventions, and fences will be let as one contract and the power and light services together with street lighting and flood lighting will be let as one contract.

My duties as I understand them are those ordinarily assigned by the bond buyers on any large construction job to see that the construction is sound, substantial, and complete without extravagance or delay. In addition to that we are doing the field work for the Union Pacific portion of the job and cooperating with city officials and U. S. Engineers to accomplish the utmost possible for the entire project. Innumerable small problems are brought to us which no one else seems willing or able to handle.

Regarding work included in Union Pacific W. O. 7151 we are sending out inquiries regarding the fill inside present Fairfax levee east of Minnesota Avenue and will shortly have platted sections ready to receive bids. If this work is done with hydraulic dredges work should start shortly after March 1st and be completed about the middle of May. If the fill is made by truck or train haul work could start shortly and be completed May 1st or before.

The sewers should be let by contract except for the portion beneath Minnesota Avenue. If the fill is made with earth, hauled in, the most economical method would be to include the sewer contract with the grading contract and [fol. 569] proceed concurrently with the grading contract. If the fill is pumped in the sewer contract should be a separate contract and would have to follow the fill. Paving will be contracted and should follow each pair of tracks as fast as laid.

The fill for the double track lead west of Minnesota Avenue and north of Jersey Creek can possibly be let more advantageously as a separate contract as this will have to be hauled in and may be required in advance of

the fill. Information regarding crossing of Fairfax sewer will be submitted promptly.

Grading for the tracks along the levee north of Phillips' south line will depend on date of Government construction of new levee between Jersey Creek and Goose Island. It is possible we can negotiate a contract with the Government contractor on levee work and if not will take bids so as to perform our grading concurrently with Government work on the levee handling same in such a manner as to leave no unprotected break in the Fairfax levee system.

H. N. Higgins.

cc Mr. G. E. Stanley.

[fol. 570] (Copy)

Kansas City, Mo.,
February 3, 1939.

Mr. J. L. Haugh:

Referring to bids received yesterday by Kansas City, Kansas, for the construction of the Kansas City Food Terminal, attached hereto for your information are copies of the bid sheets covering the different buildings for which bids were requested. Also attached is copy of statement showing new allocation as now set up on the PWA books. Using the amounts in this new allocation in comparison with the bids received yesterday we have the following comparison:

	PWA Estimate	Base Bid	
Produce Buildings, Units A, B, C, D	$1,328,000	$1,457,000	$129,000
Farmers Market, Unit H	161,600	222,568	61,058
Overrun			$190,058
Auction warehouse	157,285	128,439	28,846
Overrun on the three projects			$161,212

After the bids were tabulated, a conference was held with City Commissioners, architects and representatives of PWA. It was decided that no recommendations for award of any contracts will be made until a thorough study of

bids was made. It will also be necessary to suggest some changes and possibly the farmers market and auction house bids should be rejected, buildings redesigned and readvertised.

Within the course of a few days I will make a personal recommendation to you. The least important building, at this stage, is the auction building and the importance of the Service Stores building is becoming more impressive.

The cost of piling on the Cold Storage building will be $52,678, thereby leaving $605,982 to bring this up to minimum amount of $658,660 allowed for that improvement. The incinerator, fire alarm system and some other alternates in Patti's bid should be eliminated. However, some of the alternate figures are too low to justify taking advantage of them.

G. E. Stanley.

P. S. Transformers, transmission wiring and water mains are estimated to cost about $92,000, being a part of Contract No. 9 for utilities estimated at $433,740 on attached list. This is the work under Mr. Schulz. Willard Breidenthal and I will have a meeting of the Board of Public Utilities to see if they will absorb the cost of installing these facilities.

G. E. S.

[fol. 571] (Copy)

Omaha, February 9, 1939.

912—Bills.

Mr. H. A. Toland:

Your letter Jan. 34, file A-701-1-260, concerning expenditures in connection with the wholesale fruit and vegetable market at Kansas City, as of Dec. 31, 1938:

Most of these expenditures will be recollectible from the City of Kansas City, Kansas, and should be carried in Suspense. Mr. Stanley is now working on a statement, from which bill can be made against city.

The expenditures made by The Kansas City Industrial Land Company, amounting to $11,034.25 in connection with Project No. 4820, should be continued in Suspense until we arrive at a definite disposition.

J. L. Haugh.

cc Mr. G. E. Stanley. Please furnish statement.

[fol. 572] (Copy) (S-21)

S. Patti Construction Company, Inc.

Kansas City, Mo., February 10, 1939

Union Pacific Railroad Company, Kansas City, Missouri.

Attention: Mr. Guy Stanley

Re: Food Market and Terminal Four Produce Buildings Kansas City, Kansas.

Gentlemen:

We herewith submit to you the reductions in our bid on the above project according to the list of items suggested by you on February 10, 1939.

Item No. 1

Eliminate all main roof insulation (Except on canopies) from Buildings A, B and C. Deduct $ 8,403.00

Item No. 2

Eliminate all main roof insulation (except on canopies) from Bldg. D. Deduct ..... $ 2,801.00

Item No. 3

Eliminate outside overhead doors on display dock, Building C. Deduct ..... $ 2,640.00

Item No. 4

Change outside overhead doors in display dock of Building A, B, and D from steel to wood. No deduction .....

Note: These doors were changed to wood construction in our Alternate No. 8 in our base bid.

Item No. 5

Eliminate terrazzo floors on second floor unit D, except in toilets, restrooms and soda grill, substituting smooth trowel cement finish. Deduct ..... $ 8,435.00

Item No. 6-7-16

6. Substitute brick reveals around all windows on north and south facades of all buildings in lieu of stone trim shown. Eliminate circular windows in above walls.

[fol. 573] 7. Substitute salt glazed tile coping in place of stone coping on all buildings.

16. Substitute brick sills for stone sills. Eliminate fancy brick belt course.

Totals of Nos. 6, 7 and 16. Deduct ..... $ 6,635.00

Item No. 8

Substitute hardwall plaster, enamel for marble wainscot and base in stair hall of building D. Deduct ..... $ 1,419.00

Item No. 9

Substitute wood construction for steel for vertical left store front from stalls to display dock of Buildings A, B, C, and D.

Note: If the vertical slide up doors as originally specified we made of lighter weight construction, made of tubular sections instead of structural sections, steel plate placed on one side instead of two sides, using tubular steel doors in place of hollow metal doors leaving the steel sash in these opening- the same. This would make a reduction of ..... $ 6,000.00

Item No. 10

Eliminate cross connection bus bars on panel boards on first floor of all units. Deduct..... $ 500.00

Item No. 11

Make direct run of electrical wiring from panel boards to meters instead of the circuitous run specified for all units.

Note: This item is included in item omitting the Utility Corridor.

Item No. 12

Substitute fused type panel boards equipped with Fustron fuses instead of circuit breakers for all units. Deduct. ..... $ 3,000.00

Item No. 13

Substitute floor mounted flush valve type closets for wall hung flush valve type closets throughout. Deduct. ..... $ 280.00

Item No. 14

Run gas lines direct from meters without cross connections. Deduct ..... $ 176.00

[fol. 574] Item No. 15

Substitute steam convector panels for cast iron wall hung radiator. Deduct ..... $ 350.00

Item No. 17

Substitute copper bearing galvanized iron for all flashing in lieu of copper. Deduct ..... $ 1,450.00

Item No. 18

Substitute select common brick in lieu of face brick specified for all exterior walls of all buildings. Deduct $11,417.00

Item No. 19

Substitute wood overhead doors for metal doors for Buildings A, B, and D.

Note: This item is included in Alternate No. 8 in our base bid.

Item No. 20

Eliminate mechanical ventilation for toilets, kitchen and soda grill facilities in Building D and substitute a wall exhaust fan for kitchen and soda grill. Deduct ..... $ 1,342.00

Item No. 21

Eliminate all toilet rooms on mezzanine floor in all buildings. Deduct ..... $ 7,880.00

Item No. 22

Eliminate three ceiling lights from first floor of all buildings. Deduct ..... $ 1,500.00

Following is a list of further reductions is same for acceptable to you:

Item No. 23

If the vertical sliding doors are changed to tubular steel accordian doors, with four leaves. Deduct $10,123.00

Item No. 24

If the two 8" channel columns welded together are changed to 6" H Columns under the sales dock canopy. Deduct ..... $ 2,500.00

Item No. 25

By using all steel construction of gas unit heaters for the first floor in lieu of cast iron as specified. Deduct ..... $ 1,546.00

Item No. 26

For the omission of suspended ceiling over the second floor offices in Building D and ex- [fol. 575] tending wall plaster up to roof construction. Deduct ..... $ 3,170.00

Item No. 27

If exterior channel iron rails on the docks and ramps on all buildings are changed to 1½" pipe rails, two high. Deduct ..... $ 650.00

Item No. 28

For the omission of one ventilator in each sash directly above the vertical slide up doors. Deduct ..... $ 800.00

Item No. 29

If standard circle A wood office partitions of birch construction are used in lieu of the office partitions originally specified. Deduct .. $ 2,000.00

Item No 30

If wood accordian doors are used in place of the vertical slide up doors, built of fir with five doors in width. Deduct $14,071.00

Note: This change and Items Nos. 9 and 23 cannot be added together.

Item No. 31

If smooth tile backing is used on the front and rear walls in place of common brick facing for interior, leaving the wainscot 5'-10" high of common brick. Deduct ..... $ 777.00

Yours very truly, S. Patti Construction Co., Inc.
(Signed) Sebastian Patti, President.

SP WB.

[fol. 576] (Copy)

Telegram

Kansas City, Mo.,
*3-10-39

W T P—Denver

J L H—Omaha

Party referred to Mr. Haugh's J-36 will arrive Denver No. 21 Monday morning and will report your office. S-84. Orig WTP Denver, Cy JLH Omaha.

G E S

*Pencil figures.

Union Pacific Railroad Company

Telegram

Omaha 1141a 3 10 39

G E S Kc

Am asking Mr. Stanley to arrange to have Joseph DeOreo go to Denver and study and develop market situation with receivers and growers, to give them and us counsel and advice. Mr. DeOreo has spent great many years in Market Service and is exceptionally well posted in that business. He will report to you Monday morning. Orig WTP Cy GES

J 36.

JLH

1230p

[fol. 577] (Copy)

Kansas City, Mo.,

March 11, 1939

Mr. J. L. Haugh:

I sent William Fean to the Wathena and Troy apple country. He saw Mr. Motter at St. Joseph and the latter gave him a list of the principal growers and otherwise co-operated in making the trip a success.

Mr. Fean returned to Kansas City with eight leases signed by the following people:

Hunt Bros., Apple Orchards.
Office, 107 Market Square, St. Joseph, Mo.
Earl L. Brown, Rushville, Mo.

Triplett & Brown, Troy, Kansas. Also want an office.
Ramsel Fruit Co., Blair, Kansas.
Wathena Fruit Growers Co., Wathena, Kansas.
Stewart Fruit Co., Wathena, Kansas.
Troy Apple Growers Assn., Troy, Kansas.
Wathena Apple Growers Assn., Wathena, Kansas.

Mr. Fean informs me that all of these people are producers; that some of them will handle 300 to 400 cars per year and they are particularly impressed with the fact that there will be a cold storage plant in the new market so they can store apples in transit. He will return to Wathena and expects to get about ten more leases. One of the firms will also want a brokerage office.

Mr. Weedin advises that this business can be handled via our line to Kansas City without rate penalty.

Mr. Fean informs me that all of the growers in this apple territory are familiar with the market plans and seem to be pleased that suitable facilities are being constructed at Kansas City.

G. E. Stanley.

cc Mr. L. Motter

[fol. 578] (Copy)

Kansas City, Mo.,
March 11, 1939

Mr. Louis Motter:

Mr. Fean advised me about your cooperation on his trip to the apple country. He is greatly impressed with that producing area and thinks that the growers would be greatly advantaged by the new market here. Mr. Fean brought back eight executed leases and will return to that territory soon. We all appreciate your help very much.

Enclosed you will find a photograph of the model exhibited at the Better Homes Show at the Municipal Auditorium. It was constructed by our own employes and attracted a lot of attention. Incidentally, the model is on scale and shows about the way the new market will appear when constructed. The photographs on the wall are buildings actually constructed in the Fairfax Industrial District.

G. E. Stanley.

[fol. 579] (Copy)

March 11, 1939

Mr. E. B. Fryer, Genl. Agent, Pacific Fruit Express Co., Merchants Bank Building, Kansas City, Mo.

Dear Ed:

This is to confirm statement made to you over the telephone that the proposed auction warehouse will not be built as part of the Kansas City Food Terminal. All plans on that building have been rejected by the city.

Very truly yours, G. E. Stanley.

[fol. 580] (Copy)

March 19, 1939

Hon. A. J. Weaver, Falls City, Nebr.

Dear Governor:

Mr. Fean told me about the cordial reception you gave him last week. He also delivered to me a copy of the book referring to memorial services for Messrs. Bryan and Morton and I read your talk with much interest.

We are really building a great market at Kansas City. The market proper, together with railroad facilities, new viaduct, and other improvements, will cost about $5,000,000. It will be the finest centralized market ever built.

Mr. Fean is an experienced grower and marketing man. He has had a world of experience along this line and has been very helpful in getting real growers interested in the market. We think that it would be possible for the growers in this area to pack, grade and ship fruits and vegetables from here. There will be a first class cold storage plant here where apples can be stored in transit. If things work out right we will have a lot of eastern buyers in this market and should be able to make it one of the biggest primary and diversion markets in the country.

Mr. Fean and I together will pick you out a couple of the best stalls in the market. I will acquaint Mayor McCombs with your interest in the matter and he, too, will be very happy to cooperate with you in any way.

When you are again in Kansas City I would like the opportunity of showing you over the project.

With all good wishes, I am

Very truly yours, G. E. Stanley.

[fol. 581] (Copy)

At Topeka, Kansas

3-21-39

Mr. Joseph DeOreo:

I received your notes and newspaper clippings indicating that you have a fight on your hands. I certainly wish you the best of luck and am counting on you to be a great help to Mr. Haugh:

Bill Fean and I came to Topeka to try to get the Fairfax free bridge bill out of committee. We are having a hard time but have made some headway. We both feel a free bridge would greatly aid the Kansas City Food Terminal.

I will be back in Kansas City tomorrow and will contact some of the merchants. Jack DeFeo told Mr. Fean that Hal Lebrecht and others had offered him a corner location in the new Kansas City city market without rent, but on condition that he would immediately announce that he would not go into the Kansas market and sign a contract accordingly. This is what we have anticipated and I do not think any of the substantial merchants would be foolish enough to put their neck in such a noose. However, I will check into the matter upon my return to Kansas City and advise you further about efforts a'ong this line or any other new developments.

There is some indication that PWA is about ready to approve the Patti contract. The piling work will all be completed about April 1st and real headway can then be made. They are making a fine showing on Minnesota Avenue Viaduct and are also working on the widening of Minnesota Avenue. Bushman Construction is making good progress on Jersey Creek enclosure and altogether the new improvements are making a good showing.

On March 29th our Chief Engineer will take bids on the filling of team yard tracks north of Jersey Creek including sewers and paving and by the time you get back to Kansas City I believe you will see them working on all parts of the site. The architect has plans almost completed for the cold storage plant and that is to be announced at Kansas City Thursday morning.

Mr. Fean returned to the apple country and secured four more good leases, making a total of twelve in that vicinity. He advises that these twelve will have enough business to fill the cold storage and represents about 700 carloads of busi-

ness. He also went up to Falls City, Nebr., and has been promised two leases there, one from Ex-Governor Arthur J. Weaver, an apple grower, and a banker by the name of Twole who has a new orchard that will come into bearing this year.

Please do not be uneasy about anything at Kansas City and keep your mind on the Denver situation until it is cleared up. If there is anything here that requires your attention I certainly will let you know.

With all good wishes, I am

Very truly yours, G. E. Stanley.

CC—Mr. J. L. Haugh

[fol. 582] (Copy)

Kansas City, Ks., March 22, 1939.

Mr. Louis Motter, G. F. & P. A., Union Pacific R. R., St. Joseph, Mo.

My dear Mr. Motter:

I regret that I was not able to see you before I left your territory on my last trip. I used your list and have signed up the following:

George Hellums & Son on the Bell Road out of St. Joseph.

Robert Adair, Manager of the Wathena Nursery Co.

I made a trip to Amozonia and signed up Mr. Schweizer & Son, extensive apple growers who have a lot of tonnage.

Mr. Kellsey of Route 71.

For your information several of these men that I signed up asked me to go with them to their Chamber of Commerce where they had a growers' meeting but I declined due to the fact that our project is a Kansas proposition. I regret that I was unable to stay any longer.

I will refer the list you gave me to Mr. Stanley just as soon as he gets a little free time. He has been very busy in Topeka working to free Fairfax Bridge from tolls which would benefit the growers in your section. This, of course, is for your confidential information.

Also for your information, there is a gentleman named Mr. Pollard at Amazonia who ships a lot of apples for the growers in your section and one of his clients is William Beck, who is on your list. He may ask you for a lease which you can give him.

I will be around your way within a week or two and again wish to thank you for your cooperation and assistance.

Yours truly, —— ——,

CC—Mr. G. E. Stanley.
William Fean, Fairfax Airport, Kansas City, Kansas.

[fol. 583] (Copy)

Kansas City, Mo.,
March 22, 1939.

J. L. Haugh, Denver:

City officials held conference with Patti and architects today. Patti required complete some formalities on bond and furnish list of subcontractors but this can be completed and work order issued tomorrow. Patti prepared start work Monday morning. Change order has been applied for to eliminate unnecessary cut off of piles and this will be approved by P. W. A. inspector without delay. P. W. A. stated in wire it would require new bids farm market roofs details of which covered by letter not yet received by city. Am advised in general way only one material specified farm market roofs and P. W. A. will require bids on several different types but that will not delay start on farm market. Would like for you have Mr. Wellman assigned this job to work with architects and possibly accompany them Ft. Worth about change orders. Should be released o condition he can follow through on all details and make sure desired changes will be effectuated. Advise when Mr. Wellman can arrive in K. C. and when he should be prepared spend necessary time following through on all details. S-101.

G. E. S.

[fol. 584] (Copy)

Union Pacific Railroad Company

Telegram

Denver, 916a 3 25 39.

G. E. S., Kc.:

S-101 Mr. Wellman is tied up at Sun Valley and will not be available for KC until a week from Monday. He is only one in our organization who can handle matter with architects and contractors, if it is not possible to defer comple-

tion of alternates until that time you will have to go ahead without him. Orig. G.E.S. KC Cy LHS Oma j-22.

J. L. H.
1058a

(Pencil note: Wellman be in Omaha Mon. 3/27 and can come to KC if desired. Info from H. C. Mann. 11:45).

[fol. 585] (Copy)

April 15, 1939.

Mr. A. H. Skinner, City Attorney, City Hall, Kansas City, Kansas.

Dear Alton:

In an effort to be helpful to you and also advance as far as possible the successful leasing of the proposed Kansas City Food Terminal, I submit herewith tentative form of office lease which I would be pleased to have you review and criticise.

Very truly yours, G. E. Stanley.

[fol. 586] (Copy)

April 17, 1939.

Mr. Joseph DeOreo, Albany Hotel, Denver, Colo.

Dear Joe:

Work order was issued to S. Patti Construction Company Saturday and they are starting to work this morning. The work order to Weeks Construction Company for the farmer's market was issued last week also, so altogether things are working out alright.

Mr. Radotinsky has just about completed plans and specifications for the cold storage plant and these will be submitted to Ft. Worth for approval. After receipt of approval from P. W. A. city will then advertise for bids to construct the cold storage plant. Bushman Construction Company has recently made very good progress on the Jersey Creek enclosure notwithstanding the fact that the river has been high. They happened to get hold of the right kind of foreman and he is showing good organization.

The contractor is now laying brick on Minnesota Avenue and it should be completed within the next ten days. The viaduct is getting well under way.

I looked over the competing market yesterday. It will be thirty days or better before those buildings are finished and after that they have to do a lot of wrecking in order to grade and pave the streets. I believe our market will be showing up good before they are ready to open at 3rd and Main Sts.

William Boyle, who worked with Turney Gratz in Kansas City and Washington, was named Director of the Police Department in Kansas City, Mo.

Was pleased to receive your letter and learn that you succeeded in closing up some more leases. I hope you will be able to have a 100% leased market there. I still feel very good about our prospects of having a real market here.

With all good wishes, I am,

Very truly yours, G. E. Stanley.

[fol. 587]

Kansas City, Mo.,
April 18, 1939.

Mr. J. L. Haugh:

Attached is self-explanatory letter from Mr. Berger dated April 17. You will remember that we asked Mr. Berger to take special interest in the food terminal litigation and he certainly did a good job. His expense statement for $47.35 should be paid and I will appreciate if you will handle the matter and also express yourself to Mr. Berger about the splendid manner in which he directed the litigation.

G. E. Stanley.

[fol. 588] (Copy) (S-27)

Kansas City, Mo.,
April 19, 1939.

Mr. J. L. Haugh:

Attached is sketch plan prepared by Joseph W. Radotinsky showing his plan for bank in the south end of the proposed merchants building row. The plan has been referred to Mr. Breidenthal to check over.

What, if any, criticism have you of the enclosed sketch?

G. E. Stanley.

The First National Bank of Kansas City

November 13, 1939.

Dear Guy:

Mr. Sigler has told us of the very pleasant reception you gave him on his recent call at your offices.

We naturally are greatly interested in your development over in the Fairfax District and hope that you will find time to follow through on your suggestion to Mr. Sigler that you would furnish us a list of the firms with whom you are making leases over there. I realize that possibly they will do their banking business in Kansas City, Kansas, but at least it will do no harm to present an invitation to them to use the First National Bank.

If there is anything that we can do to be of help to you in return, I hope you will let me know.

Very truly yours, (Signed) Taylor S. Abernathy,
Vice President.

Mr. Guy E. Stanley,
c/o Union Pacific Railroad Company,
Railway Exchange, Kansas City, Missouri.

[fol. 589] (Copy) (S-23)

Kansas City, Mo.,
May 1, 1939.

Mr. J. L. Haugh:

Referring to detail of expenses incurred in connection with the Food Terminal here, find attached statements (in duplicate) of receipts and expenditures for 1937, 1938 and 1939 to date.

Since preparation of statements I have discussed same with you from time to time and mentioned that Mr. Breidenthal wanted to assist in making a separate breakdown of the personal expenses of the city officials so each of them could file claims with the city and reimburse us for necessary expenses advanced. Mr. Breidenthal spent practically all of his time at Topeka from January 1st to about April 1st. He is now in Washington, New York, and I have almost despaired of getting his early help. I would like, however, to have the records cleared and account for the money handled by me.

Mr. Breidenthal has personally spent a large amount of money on this project and has not expected and does not now expect or want any reimbursement from us or the city.

I have received copy of Mr. Toland's letter to you dated January 23, 1939, file A-701-1260, attaching statements Nos. 1 and 2. The attached statements account for all money received by me except $595 in December, 1938. In my personal expense account for November, 1938, I attached two receipts, one signed by William Fean for $100 and one signed by Joseph DeOreo for $495, or total of $595, and that doubtless accounts for $595 charged to me as advances in December, 1938.

The various expense items aggregating $1,384.51 incurred by the Engineering Forces, Kansas City Industrial Land Company, from September, 1937, to December, 1938, were doubtless shown on the distribution sheets prepared by Mr. Higgins to accompany Land Company payrolls and I am unable to give any further detailed information. The remaining items on Statement No. 2 are self-explanatory and also generally represent preliminary and necessary expenses for initiating the project, except as follows:

Item of $3.66 paid to Chas. Hassig for medicine has no relation to the Food Terminal. It should be charged to Fairfax Drainage District or the Land Company.

Item of $17.30 are expenses of Lillard, Eidson & Lewis. These were incurred for and on behalf of the Union Pacific, which required the approving legal opinion of Mr. Lillard. Our bond purchase proposal to the city expressly stated that the city would furnish us with the approving opinion of Bowersock, Fizzell and Rhodes, Bond Counsel, and we required Mr. Lillard's opinion without expense to the seller of the bonds.

[fol. 590] Some of the items on my statements of receipts and expenditures should be recollected from the city, while other expenses could be collected from the officials after they were reimbursed by the city. You have mentioned that expenses incurred by me as an official, including telephone, hotel, traveling, publicity, etc., should not be recollected from the city. Some time ago I talked with Mayor McCombs about clearing some of the expense items through the officials. He had no objections.

Frankly, on account of the unscrupulous opposition to this project (referring to recently discredited politicians in Kansas City, Mo.) I have purposely delayed pressing the city and its officials for reimbursement. Since the character of the opponents have been revealed, any misconstruction that they might attempt to place on any of our expenditures would be understood. Accordingly, I will confer further with Mr. Breidenthal and Mayor McCombs and will, at the first opportunity, segregate the items of expense in accordance with this letter and furnish to you for further handling.

G. E. Stanley.

[fol. 591] (Copy)

At Denver, May 3, 1939.

Mr. G. E. Stanley:

I appreciate your informative letter of May 1, about progress on the Kansas City Food Terminal.

I agree with you about the additional expenditure by Kansas City, Mo. for other market facilities. It will be just a waste of money, and it would be well for the jobbers to circulate a petition among their own number, and have each one sign it. When the signatures are made they should show the name and the company signing, and all should be bona fide jobbers.

Joe DeOreo will need to be here for another two weeks before I can spare him. Then he will be able to come to Kansas City for a sufficient amount of time to handle this. Because of the late date that he can get there, it would be well if someone else could handle the petition so as to have it before the city in plenty of time.

(Signed) J. L. Haugh.

[fol. 592] (Copy)

Kansas City, Mo., May 4, 1939.

Rush

J. L. Haugh—Denver:

Flood and street lighting plan for market been prepared by Mr. Schulz and submitted to city. Mr. Higgins checked plan and advises cost including transformers estimated $80,000 and may exceed that. Transformers alone will cost

$25,000 and should in my opinion be paid by city and further efforts will be made have them take over that expense. Schulz plan calls for eight-fifty foot poles on south and west side farmers market with flood lights ranging 1,000 to 1,500 watts and some poles have as many as eight lights. Each merchant produce building has 44 flood lights most of 1,000 watts. Figuring all lights would be used average four hours each night Board Public Utilities estimate lighting bill $600 per month. Mr. Schulz agreed inquire about wattage load in large central markets of east and we will have time review subject before any definite decision made. However both plan and cost looks extravagant to me now. Would like have your reaction also what you have learned on same subject from study Denver terminal. Mr. Higgins advises flood lighting plan designed provide three and one-half foot candles evenly and uniformly distributed throughout market area whereas illuminated football field has twelve foot candles. S-168.

GES.

[fol. 593] (Copy)

1939 May 4 PM 7 26

387 U

Denver 4 526 P

GES KC

S 168 Flood lighting expense seems excessive and believe it could be more than cut in half. It is really a street lighting job and the cost of it should be borne the same as ordinary street lighting with Candal.

Ers on Minnesota Avenue. Certainly the Public Utilities should pay for the transformers. The street lighting bill should be paid out of the regular revenue of the City rather than by the market. J 13.

JLH.

[fol. 594] (Copy)

Kansas City, Missouri, May 9, 1939.

Mr. Gerritt Vander Hooning, Pres., National Association of Retail Grocers, Eastern Ave. & Ardmore St., Grand Rapids, Michigan.

Dear Sir:

Mr. C. M. Sandstrom, Editor of the Kansas Grocer, and Mr. Schuyler Crawford of Wichita, Kansas, submitted your

name to me with the information that your National Convention will be held in Kansas City during June.

I have a very important message for you and would appreciate an appointment with you in Grand Rapids before the Convention in order to talk over matters that I know will be of interest to you, and to the benefit of every grocer in your association and concerning which you will, no doubt, desire information before the convention.

Any time that is convenient to you will be satisfactory to the writer.

Please address your reply to William Fean, Leasing Agent, Kansas City Food Terminal, Room 1004 Pickwick Hotel or 717 Railway Exchange Building, Kansas City, Missouri.

Awaiting your early reply, I am

Yours very truly, Wm. Fean.

[fol. 595] (Copy)

Chamber of Commerce

Kansas City, Kan.

May 10, 1939.

Mr. Guy E. Stanley, Union Pacific Railroad Co., Kansas City, Missouri.

Dear Mr. Stanley:

This has reference to the meeting this coming Tuesday noon, May 16, at the Chamber of Commerce, of the small committee that has been appointed, at which time we will talk over the matter of a cooperative market for the farmers, as well as the employment of a horticulturist. This is in connection with the market project. This meeting will be attended by the following:

Guy E. Stanley, W. J. Breidenthal, Kimball L. Backus, W. A. Bailey, Jack Torbert, H. B. Kendrick, R. T. Willette.

It will be appreciated if you will make a note of this and kindly arrange to attend this important meeting.

Yours very truly, (Signed) R. T. Willette.

[fol. 596] (Copy) (S-23)

Subject: Kansas City Food Terminal.

Omaha—May 13, 1939.

No. A-701-1-260

Mr. G. E. Stanley, Kansas City, Missouri:

Referring to Mr. Haugh's letter May 12th, File 912, to me, copy to you:

Herewith UPRR Co. Voucher No. 784303 in your favor, Amount $1,577.86, for expenses incurred in connection with Food Terminal, years 1937, 1938 and 1939.

(Signed) H. A. Toland.

Encl.
CC: Mr. J. L. Haugh.

[fol. 597] (Copy)

May 25, 1939.

Personal

Mr. Dudley Brown, Brown & Leo, Merchants Bank Bldg., Kansas City, Mo.

My dear Mr. Brown:

Referring to and confirming my conversation with you today.

The rental in the office portion of the Kansas City Food Terminal has been fixed at $1.10 per square foot per annum for air conditioned space, without air conditioning at $1.00 per square foot per annum. The rent includes heat, light and janitor service.

The print which I left at your office will give you complete information about area of offices and you may have the choice of anything in the center portion of the building which you said you most preferred.

It is a great relief to me to have your cooperation on this terminal. I assure that we will cooperate with you to the limit and want you to share the responsibility of making this a great successful terminal where the food business can be properly conducted. I will appreciate your advice about anything at any time and hope that you will make your suggestions known from time to time.

As stated to you personally the proposed market will be run by the trade and it would be especially pleasing to us if you will participate in helping to get the market started on the right basis and kept that way.

As also stated to you we will see that your office is fixed up the way you want it and will be glad to have you indicate on the plat I left with you just what accommodations you want, including refinements such as clothe- closets, filing room space, etc. Following receipt of your suggestions we will have a detailed drawing made by the architect and submitted to you so that you can have what you want.

With all good wishes, I am

Very truly yours, G. E. Stanley.

[fol. 598] (Copy)

May 25, 1939.

Mr. J. T. H. Armstrong, Pacific Fruit Express, Chicago, Ill.

Dear Mr. Armstrong:

Am attaching blind copy of letter to Mr. Dudley Brown. He told Jack De Foe, Ed Fryer, Jasper De Maria and others that he was now ready to sign up. I called on him and had a very pleasant interview. Mr. Brown said that they would take space and he now thinks the market will be a go. I am very pleased with Mr. Brown's attitude and just want you to be familiar with the situation so that you could express your appreciation to him if you see fit. His influence will be very helpful in making the food terminal a big success.

I told Mr. Brown we would fix up his office right and I would take special care to see that this was done.

We are now ready to start leasing space to the brokerage firms and will, in the course of a few days see Cochrane Brokerage, Grovier-Starr, C. H. Robinson, Graham Cooksey, Mr. Gonder, Mr. Ungerleider and all the others. I also intend to see Chester Michaels at an early date.

Mr. Garrett of Garrett-Holmes asked me to see him at 2:00 o'clock tomorrow and I think we will close a lease there soon.

I will never be lacking in appreciation for what you have done in assisting us here, and with all good wishes, I am

Very truly yours, G. E. Stanley.

[fol. 599] (Copy)

Kansas City, Mo., May 26, 1939.

J. L. Haugh—Denver:

Personally saw Dudley Brown yesterday and he now working on his plans and agreed rent space at $1.10 per square foot. All the brokers satisfied and in course of few days will rent considerable space on form approved by city. Have appointment with Garrett-Holmes 2:00 o'clock this afternoon to further negotiations for two units in produce section. S-199.

G E S.

[fol. 600] (Copy)

Pacific Fruit Express Company

Chicago, May 26, 1939.

Mr. G. E. Stanley, Executive Assistant, Union Pacific Railroad Company, Kansas City, Missouri.

Dear Mr. Stanley:

Many thanks for your letter of the 25th inst. enclosing copy of your letter to Mr. Dudley Brown. I am very happy to learn of the change of attitude of Mr. Brown regarding the Kansas City Food Terminal and feel that with his influence and that of others mentioned in your letter the success of the terminal is assured.

Please accept my sincere congratulations, and with warmest personal regards, I am

Very truly yours, (Signed) J. T. H. Armstrong.

[fol. 601] (Copy) (S-23)

Telegram

1939 Jun 1 PM 7 15

404U

Denver 1 535P

Ges KC

Pls send up voucher to Mr. Stanley for one thousand dollars advanced working fund. This is to cover expenses in connection with Merchants dinner when Mr. F. W. Robinson was in KC and to defray other sundry items that

are accumulating. Mr. Stanley will furnish receipts and account for it. Orig hat Oma Cy Ges KC J 16.

J. L. Haugh.

[fol. 602] (Copy)

June 3, 1939

Alonzo H. Gentry, Voskamp & Neville, 4 West 13 St., Kansas City, Mo.

Gentlemen:

Referring to my conversation with Mr. Gentry today.

Mr. Haugh has received a report from Mr. Wellman about his conference with the Board of City Commissioners on Friday, May 26th and has expressed disappointment that more savings were not made. The following is quoted from Mr. Haugh's letter to me under date of May 28th:

"The deduction on account of an error in calculation in the original bid, under Item 1, should, by all means, be secured. The change order should not be approved until this item is accepted by Mr. Patti.

"We should consider all of the items of cost of air-conditioning for the second floor of building "D" before agreeing to any alternates that would cover any part of this work. Items 4 and 10 in Mr. Wellman's statement are in connection with air-conditioning. We must figure the economics in the situation, and whether it is worthwhile to do it. Apparently, the cost will exceed $1.00 per square foot, and may even run to $2.00 per square foot. I suggest that you make another one and see if enough rentals can be secured to make it pay before any items of construction expense are approved.

"I see no earthly reason for constructing steel stairs from the main floor to the mezzanine, and the last time I talked to the architects they were agreeable to making these wood stairs.

"With regard to Item 20: We certainly should not retain any of the stone coping, sills and other unnecessary stone work in connection with these buildings. We must have in mind that these are warehouse buildings and not city auditoriums.

"It is perfectly ridiculous to put toilets on the mezzanine floor. It will be obnoxious to the office arrangement, and takes up unnecessary room where room is needed. I

wouldn't even confer with the tenants about this item, It should be eliminated now."

Both Mr. Haugh and Mr. Wellman, like myself, have assumed large responsibilities assisting in the expenditure of $3,000,000. We recommended you as the architects on this job and naturally want you to share our responsibility and assist in every way to affect every economy possible consistent with practical commercial operations such as the [fol. 603] Kansas City Food Terminal is intended to be.

I would like to suggest that you keep Mr. Wellman advised about changes and all details from time to time, sending copy of the letters to me, and to every extent possible consider his recommendations because of our financial participation in the terminal.

We will appreciate that you are directly employed by the city and do not want to rob the city of any of its jurisdiction and also know that you have to secure the approval of P. W. A. but in addition to that would appreciate if you would permit Mr. Wellman to initiate suggestions and otherwise cooperate with us.

Very truly yours, G. E. Stanley.

[fol. 604] (Copy)

June 10, 1939

Hon. A. J. Weaver, Falls City, Nebr.

Dear Governor:

On Sunday, June 18th, the fruit and vegetable growers (about 1,000 are expected) will meet on the site of the new Kansas City Food Terminal. The meeting will begin about 11:00 o'clock and lunch will be served on the grounds. Beginning at about 1:00 or 1:30 o'clock there will be some talks made by prominent apple growers and producers in this area -bout the importance of the market and the need for organization. The farmers are arranging with Secretary Wallace and his marketing experts for advice about how to form a producer's association.

I would particularly like for you to attend this meeting. Aside from your natural interest in the producers' welfare it will afford me an opportunity to show you the big construction enterprise under way at Kansas City, Kansas, including the farmers' market, produce dealers' buildings, cold storage plant and the team track yards, aggregating a

total cost of about $5,000,000. The meeting will be immediately in front of the River-Rail Elevator.

Mr. Fean has spent some time with the farmers in this area and advises me a large crowd can be expected. He, too, is very anxious that you come and also wants to put you on the program.

With all good wishes, I am

Very truly yours, G. E. Stanley.

[fol. 605] (Copy)

Kansas City, Mo.,
June 12, 1939.

Mr. J. L. Haugh:

Attached is print on which I have shown by red lines space that would be required in event the Union Pacific Division offices were removed to the Kansas City Food Terminal. This is based on information from the Division Engineer's office, which is reporting to Mr. Williams.

Space shown as Health Club can be eliminated entirely from any existing plan and the partitions could be arranged to suit. It would be most helpful if our division forces could accom-odate themselves to these quarters.

You may advise Mr. Williams that in addition to the entrance in the south corridor, these offices could have an exclusive entrance in the north end.

The city has agreed to fix a rental of $1.10 per square foot which, in my opinion, would be compensatory. That includes lighting, heating, and janitor service. You will understand that any deal we propose to the city to occupy the north end of the building will be acceptable.

G. E. Stanley.

[fol. 606] (Copy)

Kansas City, Mo.,
June 16, 1939

Mr. Louis Motter:

I am sorry I was not in my office when you called a few days ago. I presume you are happy about the apple rate and certainly hope you will have good luck with it this year.

When you are in Kansas City next time I would like to show you over the market under construction and get you entirely familiar with what we are trying to do.

I will soon have some information about the date on which the cold storage building will be completed. It will be operated by the Federal Cold Storage Company which advises me that they would pay the freight on apples as they arrive and also make advances for loans. In a short time they will send their new manager here. His name is A. R. Current. I intend to suggest that he get acquainted with you and cover your territory.

Incidentally, there will be a meeting of the growers on the market site next Sunday, June 18th, beginning at 11:00 o'clock and lasting practically all day. I believe you have already received an invitation and if you find it convenient I would be glad for you to come down.

G. E. Stanley.

Dict.

[fol. 607] (Copy)

Kansas City, Mo.,
June 17, 1939.

Mr. Stanley:

In canvassing produce brokers I find space occupied now is generally under 400 square feet. Our rate of $1.10 is alright but our whole units are too big. They figure as follows:

East side—32'x22'—704 Sq. Ft.—Annual rental		$774.40
	Monthly "	64.53
West side—25'x22'—550 Sq. Ft.—Annual rental		$605.00
	Monthly "	50.42

The east side units seems to be pref-rred but brokers do not want to share reception room space with others and in fact insist on through sound-proof partitions. This will necessitate two entrances for each split unit.

Confidentially, I think we will have to move P. F. E. office. It will be nearer the team track if in north end. Some inquiries indicated space at head of south stairs would be highly desired by some brokers.

J. W. Mueller.

(Initials) J. W. M. (in ink)

[fol. 608] (Copy)

Mr. Stanley:

In calling on brokers I had following questions put to me:

What kind of floor covering will be in brokers' offices?

Will there be storage space for old records, etc.?

What will be in the club room? Is this merely a resting place or lounge, with chairs, settees, etc., or will it include wash rooms, toilets, shower baths, lockers, etc.?

Will each broker's unit have wash bowl? This seems to be needed and I urge favorable consideration.

J. M. Mueller, 6/22/39.

(Initials) J. W. M. (in ink)

[fol. 609] (Copy)

June 27, 1939.

Personal and Confidential

Hon. George M. Bull, Regional Director, Public Works Administration, 905 Electric Building, Ft. Worth, Texas

Dear Mr. Bull:

Re Kansas P. W. A. Project 1356-F, Wholesale Food Terminal, Kansas City, Kansas.

Some time ago I reviewed correspondence between your office and city officials of Kansas City, Kansas, about the appointment of a Coordinating Engineer. For reasons that will be apparent to you in reading this letter, I did not want to go to the City Hall to review this correspondence and may be in error in some of the assumptions contained herein. According to my best recollections you stated, in substance, that you had no objection to a Coordinating Engineer; that the associated architects and engineers were now being paid the maximum amount authorized by P. W. A., and that if a Coordinating Engineer were appointed it was your judgment that he should be a disinterested engineer and not one then engaged by the associated architects and engineers.

After some reflection and experience we have come to the conclusion that you were entirely correct. While Mr. Schulz is an entirely competent engineer and would make a good Coordinating Engineer if approved by the city, we find that

there is some dissension and jealousy between the associated architects and engineers and because Mr. Schulz has not been authorized by the city to act as Coordinating Engineer, he can be of no assistance in suggesting methods of coordinating the progress of the work or construction.

Accordingly, and in the interests of progress, we would like to propose to the city that the job of Coordinating Engineer be offered to Mr. W. J. Nauman, at present employed as Engineer Inspector by P. W. A. Mr. Nauman has shown aptitude for the job and we regard him as the best qualified man we know of for the position. The job has reached such a stage that it would take an engineer some time to catch up with the job and you can appreciate that there would be some advantage in having an engineer who is already familiar with the job.

Our interest in this matter is based on the fact that the Union Pacific Railroad Company purchased revenue bonds on the project and we are naturally anxious to see the job progressed and finished on schedule.

[fol. 610] I am without information as to what Mr. Nauman now receives by way of compensation. The salary proposed for Mr. Schulz was $500.00 per month and that would be entirely agreeable to us if the city would pay $500.00 per month out of the Construction Account for a competent Coordinating Engineer, provided the city would also vest the Coordinating Engineer with adequate authority to coordinate the job. Otherwise there would be no purpose served in appointing such an engineer.

There is nothing seriously the matter with the job at this time and it is progressing as good as could be expected in view of the fact that there are three sets of architects and engineers on the job and a multiplicity of contracts. The need for a Coordinating Engineer is apparent to us, but we would not want to recommend Mr. Nauman without your expressed approval in so doing,

With personal regards, I am,

Very truly yours, G. E. Stanley.

BCC—Mr. J. L. Haugh

[fol. 611] (Copy)

North Side Business & Improvement Association

Kansas City, Missouri, June 28, 1939.

De Feo Fruit Co., 322 Walnut, Kansas City, Mo.

Gentlemen:

In connection with your application for a lease of space in the New City Market, we wish to advise that there will be a meeting on this subject Thursday at 2:30 p. m. in the basement of the Merchants Bank Building.

This will be a very important meeting and we ask that you kindly arrange to attend.

Very truly yours, Kansas City Market District Assn.,
(Signed) J. L. Holler, Secretary.

[fol. 612] (Copy)

June 28th, 1939.

Gentry, Voskamp & Neville, Architects

Kansas City, Missouri

Mr. W. T. Wellman, Union Pacific Railroad, Omaha, Nebraska.

Re: Food Market & Terminal, Kansas City, Kansas

Dear Mr. Wellman:

Immediately after our last conference with the Commissioners of Kansas City, Kansas at which you and Mr. Patti were present, we prepared detailed specifications and drawings where necessary for the changes which we agreed upon. These detailed specifications were necessary and must accompany change orders in order to acquire PWA approval.

We instructed the Patti Construction Company to prepare immediately breakdown estimates which also must accompany all change orders.

We just recently have received from the Patti Construction Company revised prices and his statements regarding these changes. Copies of both our instructions and Patti Construction Company's credits are enclosed herewith.

We are also enclosing copy of our report of June 27th to the Commissioners regarding any acceptance to the proposed credits.

We beg to advise that another conference has been arranged between representatives of the Owner, PWA, Patti Construction Company and ourselves tomorrow morning for a discussion regarding the deficiences of credit allowed on other changes.

Yours very truly, Alonzo H. Gentry, Voskamp & Neville, Architects, Inc., (Signed) E. B. Voskamp.

EBV/c.

[fol. 613] (Copy)

North Side Business & Improvement Association

Kansas City, Missouri, June 30, 1939.

Sarser Produce Co., New City Market, Kansas City, Mo.

Gentlemen:

At the meeting held yesterday in regard to locations in the New City Market, it was quite apparent that it is impossible for the dealers to agree among themselves as to the location they are to get.

Therefore, it has been requested that each of the applicants write a letter to City Manager Eugene C. Zachman, stating their first, second and third choice of locations. Also advise him as to the length of time they have been in business and at what location they paid rent to the City, and any other information that would be of benefit in assigning the spaces in the new Market.

For your convenience, we are enclosing a diagram of the locations so that you will be in a position to properly describe the location you want in your letter. After you have completed your letter, kindly give it to Mr. Spoor, the Market Master.

Very truly yours, Kansas City Market District Assn., (Signed) J. L. Holler, Secretary.

[fol. 614] (Copy)

Federal Emergency Administration of Public Works

Regional Director, Region No. 5, Fort Worth, Texas

June 30, 1939.

In reply refer to Docket Kans. 1356-F, Wholesale Food Terminal, Kansas City, Kansas, Admin-GMB:ve.

Mr. G. E. Stanley, Executive Assistant, Union Pacific Railroad Company, 717 Railway Exchange Building, Kansas City, Missouri.

Dear Mr. Stanley:

Replying to your letter of June 27, 1939, regarding the appointment of a Coordinating Engineer for Docket Kans. 1356-F Wholesale Food Terminal, Kansas City, Kansas, I would state that, same time since the appointment of Mr. Schulz for that position was taken up with this office, our approval of Mr. Schulz was made under certain conditions as to the matter of payment of his salary by the City of Kansas City, Kansas.

Briefly stated, such payment would have to be made by the City from its own funds outside of the Construction Account and not from the Construction Account. We have since received no official advice from the Kansas City officials regarding the appointment of Mr. Schulz.

We consider Mr. W. J. Nauman a very competent engineer, and if arrangements are made by the City to employ him as Coordinator on their own responsibility we will offer no objections.

Very truly yours, (Signed) Geo. M. Bull, Regional Director, WPA.

[fol. 615] (Copy)

Kansas City, Mo., July 7, 1939.

Mr. J. L. Haugh:

Attached is copy of letter received from Mr. George M. Bull, Regional Director, PWA, in answer to my letter of June 27th.

I talked to Mr. Schulz last night and he agreed to submit his resignation which was done today, on the ground that his work here and elsewhere prevented him giving sufficient time to the job.

Willard Breidenthal and I had the entire City Board and Mr. Skinner to breakfast this morning, at which time they all expressed satisfaction on the resignation received from Mr. Schulz and we recommended that Mr. Nauman be named. Mr. Darby has shown some reticence and offered Mr. Radotinsky as a substitute. John Riddle, PWA Inspector for Kansas, and Mr. Nauman will meet with the Board this afternoon and will convey Mr. Bull's complete acquiescence to the appointment of Mr. Nauman.

Mr. Nauman is an active candidate for the job of Coordinating Engineer and if the Board appoints him I do not believe it would be possible to get a better man. The PWA also stated they would name a successor to Mr. Nauman, being a Mr. Parsons with whom he has worked, and I am advised that the PWA will gladly cooperate with Mr. Nauman as the owner's representative.

G. E. Stanley.

[fol. 616] (Copy)

Mr. Stanley:

Supplemental to mine of June 17th and 23rd regarding space in Brokers' Building.

Ralph U. Arnold, broker, and Mr. Glassman, traffic and rate consultant, will want whole unit on west side to be used jointly.

California Fruit Growers Association—

Mr. R. H. James will follow trade. Can use whole unit, either side.

Western Weighing and Inspection Bureau—

Mr. W. E. Brent, Chief Inspector, Fruit and Vegetable Division, can use half unit on west side.

J. W. Mueller. 7/22/39. (Initials) J. W. M. (in ink).

[fol. 617] (Copy)

Kansas City, Mo., July 27, 1939.

G. E. Stanley—Denver.

DeMarea advises has signed Helm. S-270.

G. E. S.

[fol. 618] (Copy)

Kansas City, Mo., August 1, 1939.

Red Hot Rush

J. L. H.—Omaha.
W. R. R.—Omaha.
Mayor McCombs just received PWA check for $950,000.

S-275. Orig. JLH, Cy WRR Omaha.

G. E. S.

[fol. 619] (Copy)

Union Sign Manufacturers

Kansas City, Missouri, August 3, 1939.

Union Pacific Railroad Company, 717 Railway Exchange Bldg., Kansas City, Mo.

Attention: Mr. G. E. Stanley

My Dear Mr. Stanley:

We are progressing right along with the manufacture of the sample neon sign which you suggested to us. This sign reads:

A B C FRUIT CO.

and with your permission, we will install this sign inside of the rental office, Mr. Fean's headquarters in the Fairfax Food Terminal grounds.

We are furnishing this sign temporarily and without obligation to you, for the purpose of showing future lessees of the Fairfax Food Terminal what will meet with your approval. This sign is built in such a manner that there are six different colors of neon shown, five colors in the letters and one color in the border. We are, also, attaching an on-and-off flasher to this sample sign and Monday, August 7, when we expect this sign to be completed in our shop, we shall take it to the Fairfax Food Terminal district, and we shall install it in Mr. Fean's office.

Thanking you for this opportunity which helps us to show our craftsmanship, and assuring you of our heartiest cooperation we are

Yours very truly, Union Sign Manufacturers, Inc.,
(Signed) Charles G. Meyer.

[fol. 620] (Copy)

Mr. Stanley:

Referring to mine of June 17th regarding office space in Brokers' Building:

Mr. Rudd of the Western Union wanted definite advice regarding space and selected ninth private office from south end over unit 206 on east side of building and will not want half unit on west side.

J. W. Mueller, 8-3-39. (Initials) J. W. M. (in ink).

Mr. Stanley:

Supplemental to mine of July 22nd regarding space in Brokers' Building:

Estella Dickhaus, who operates cigar stand in Merchant's Bank Building, called today regarding cigar stand in the Food Terminal. I advised her that Letha Coy was prior applicant but that she was second and would be so considered. I gave her details relative to space, rentals, etc.

J. W. Mueller, 8-2-39. (Initials) J. W. M. (in ink).

[fol. 621] (Copy)

Fairfax District, Kansas City, Kansas.

August 7, 1939.

Mr. B. H. Prater:

Your letter August 3rd, File R-3296, canvass of bids for grading, tracks, and paving Contract No. 11, Kansas City Food Terminal.

Attached statement shows the status of the entire Food Terminal project as of the last of July. From this you will note that there have been a great number of changes including the elimination of auction house and the incinerator and the addition of special utility building. With these changes there have been changes and additions necessary in the utilities which has caused them to show a total estimated over-run of approximately $40,000 as shown.

This statement is a confidential statement and has not been given any publicity here nor has it been shown to the City authorities. It does include all required or anticipated work of which we have knowledge and while it shows a con-

siderable reduction in the contingency item there is still approximately $90,000 in this account and interest during construction is increased to provide for bond interest payment next May.

H. N. Higgins.

Mr. G. E. Stanley.

[fol. 622] (Copy)

Union Pacific Railroad Company Telegram

28gn

Omaha 1119a 8 14 39
GES KC

S-281. We gave Great deal of consideration to location of Auction house which first was located opposite brokers bldg. and then later moved to a point opposite the cold stge warehouse in order:

(1) That is might be easy for installation of cold stge lines to serve it.

(2) That is would be close of access for auctions of fruit and vegts for movement into cold stge warehouse.

(3) That Auction house in this location would induce vehicular business traffic past all four Produce bldgs and thus help to equalize their relative importance from business standpoint.

Agree with you about omitting a portion of the easterly trackage, and have today advised Mr. Prater to omit for construction to fall all of the paving and tracks easterly of, but not including the most westerly auction house track.

This will provide team track service for 170 cars and house service for 80 cars, a total of 250 cars, which probably will be sufficient during the organization and early development. We will make all the fill for the ultimate yard. If Mr. Prater finds that it is possible to defer the s-wers on that portion of the land that is not to be used immediately for tracks and paving, he will also defer that portion of the sewers.
Orig. GES KC CY NAW OMA & OL BHP Oma J-16

JLH
1204 p

[fol. 623] (Copy)

Railway Exchange Bldg., August 15, 1939.

Mr. R. T. Willette, Mgr., Chamber of Commerce, Kansas City, Kansas.

Dear Ray:

You are doubtless familiar with the government's food scrip plan which has been tested at Rochester, N. Y., Dayton, Ohio, Seattle, Wash., and other cities.

While the stamps are good at grocery stores, I am wondering if the U. S. Department of Agriculture could not, to advantage, distribute the commodities through the Kansas City Food Terminal to grocers in Greater Kansas City and trade area. It would be possible to make a portion of the allied food section available for this purpose. Would it not be a good plan to make a proposal to the Federal Surplus Commodities Corporation to take space available?

I believe all the grocers would like to participate in this business and it might be a good way to get all the grocers in Greater Kansas City to come to our market. The city could, if it sees fit, make an offer of free rent for about six or seven of the units in Building "C".

Very truly yours, G. E. Stanley.

CC-Mr. W. J. Breidenthal.

[fol. 624] (Copy)

Alonzo H. Gentry, Voskamp & Neville, Architects.

Kansas City, Mo., August 16th, 1939.

Mr. Guy Stanley, Union Pacific Railroad, Railway Exchange Building City.

Re: Food Market & Terminal Kansas City, Kansas.

Dear Mr. Stanley:

Enclosed herewith are prints of the rental plan for the Western Union and Postal Telegraph Companies showing the spaces and conduit facilities as we understand their requirements.

We would appreciate it if you will advise us if this layout meets with their approval so that we can put into change order form the work required by these drawings.

Yours very truly, Alonzo H. Gentry, Voskamp & Neville, (Signed) M. S. Sharp.

[fol. 625] (Copy)

717 Railway Exchange Bldg., August 16, 1939.

Alonzo H. Gentry, Voskamp & Neville, 4 West Thirteenth St., Kansas City, Mo.

Gentlemen:

The sketches furnished with your letter of August 16th for changes on second floor, Unit "D", Kansas City Food Terminal, to meet requirements of Western Union and Postal Telegraph, are satisfactory to us.

Very truly yours, G. E. Stanley.

[fol. 626] (Copy)

Kansas City, Mo., August 17, 1939.

Mr. J. L. Haugh:

Mr. J. Mercer Zick, President, Kansas City Wholesale Grocery Company, accompanied me today over to the new food terminal.

The Kansas City Wholesale Grocery Company occupies a building 120' x 125', seven stories high, with the CB&Q industry track on the east side and is so arranged that our track could be extended under the first floor on the north side. It is a reinforced concrete building with brick side walls.

Mr. Zick stated that his company would be interested in trading that building to us for a new building to contain from 125,000 to 150,000 square feet, all on one floor except the coffee roasting department. He wants us to suggest sites and make a proposition, but is in no particular rush about the matter.

I suggested to Mr. Zick that his company take a unit in the food terminal for a cash and carry store and thereby establish a direct contact with the food terminal and study the situation before giving consideration to the larger deal. He said this might be preferable and indicated he would at

least take a unit in the terminal. There is nothing pressing about the matter and I personally prefer not to get into a deal of that magnitude until the food terminal is well established and successful.

Mr. Zick was quite enthusiastic about the food terminal and complimented the construction and arrangement and said that if we could put it over we would have the biggest business in Kansas City on our rails.

G. E. Stanley.

[fol. 627] (Copy)

Pacific Fruit Express Company, San Francisco, California

August 17, 1939.

Mr. Guy E. Stanley, Union Pacific Railroad Company, 717 Railway Exchange Building, Kansas City, Missouri.

Dear Mr. Stanley:

Refers to report by Mr. Dahlin on Kansas City, Kansas, Food Market and Terminal and the comments on same by Alonzo H. Gentry, Voskamp & Neville, Architects, Inc.

Please refer to paragraph of architect's letter in regard to coating top side of corkboard insulation in the refrigerator and banana rooms. In applying corkboard with unsealed joints, it is impossible to make a perfect and air excluded joint. This would permit the air to come in contract through the joints with the second layer of cork, at which point the d-w-point might be reached and condensation occur. The wet condition on the floor above the insulated rooms in question might also provide a wet condition on top of the insulation due to moisture seeping through floor slab. This wet condition on floor is common in all produce rooms where iced vegetables are handled and also where vegetables are washed. It is also common practice to wash floors using a supply of water from the hose. In view of the small amount of cork area that would have to be treated, believe the expense would be warranted unless serious delays in schedules would result while awaiting authority to make the change.

In the paragraph dealing with space in banana rooms of unit building 212, the change suggested in Mr. Dahlin's report would not affect the available space for ripening bananas because in the front room of present layout it would

always be necessary to maintain an adequate passage way so as to have access to the back room for the purpose of loading or unloading. Do not consider it good practice to operate banana rooms with the present layout, as it would often be necessary to have the door of the front room open while loading into the back room. In this case, if the front room is being used for ripening process, a temperature and humidity condition would be effected and the entire ripening results might be disturbed.

Believe every effort should be made to accomplish this change, as it affects only this one building unit.

Yours very truly, (Signed) H. T. Whyte.

[fol. 628] (Copy)

717 Railway Exchange Bldg.,
August 22, 1939.

Mr. Alonzo H. Gentry, Gentry, Voskamp & Neville, 4 West 13th St., Kansas City, Missouri.

Dear Mr. Gentry:

Attached you will find copy of letter from Mr. H. T. Whyte, Assistant General Manager, Engineering and Refrigeration Pacific Fruit Express Company, referring to Mr. Dahlin's report, a copy of which you already have.

Will appreciate if you will give immediate consideration to the suggestions made by Mr. Whyte which we would like followed, if possible.

Very truly yours, G. E. Stanley.

CC-Mr. H. T. Whyte.

[fol. 629] (Copy)

Western Union Telegram

Ft. Worth, Texas,
Aug. 28, 1939.

Guy E. Stanley, 717 Ry Exchange Bldg KSC—

Officials suggest statement of probable rentals for facilities constructed both under original layout and amended layout. Be particular as to annex to D Building. Have same broken down so the particular income to any unit

plainly expressed. Where contracts let give actual figures. Bevington report contains original layout. Also send bond requirements set out in same report. 9 copies each—

Alton H. Skinner Texas Hotel

[fol. 630] (Copy)

Revised Estimate of Income Kansas City, Kansas, Public Levee

Annual income from existing thirty year leases under P. W. A. Project, Kansas 4820:

Hart-Bartlett Sturtevant (average per annum)	$52,932
Union Pacific Railroad (Minimum)	10,000
Inland Waterways Corporation	9,000
Board of Public Utilities	5,200
Union Pacific R. R. & Missouri Pacific Railroad (joint)	3,000
Total present rental	$80,132

Market facilities:

City Ice & Fuel Company (average rent for cold storage under lease for 15 years)	$40,000
Union Pacific Railroad For land north of Jersey Creek and east of Minnesota Avenue	10,780
79 Units in the 4 produce buildings, including ground floor, mezzanine and basement @ $150 per month per unit. Annually	142,200
Second floor office space, Unit D	25,520
Proposed annex or addition to Unit D	18,900
Farmers market, 428 stalls at $21 per annum	8,988
(all stalls leased and applications pending for about 100 additional stalls)	
Service charge of 25¢ per day for 175 market days, average attendance of 300 per day	13,125

[fol. 631] Service station, $60 per month, plus 1¢ per gallon. Estimated income per annum	$6,000	
Rental of land on Kaw river and also west of Minnesota avenue	10,000	
Miscellaneous income from scales telephone booths and numerous vendors	5,000	
Total gross revenue		$320,625
Deduct:		
Structure maintenance, insurance and operating expenses		35,000
Net available for revenue bond service		$285,625

[fol. 632] (Copy)

717 Railway Exchange Bldg., August 28, 1939.

Mr. Alton H. Skinner, City Atty., Texas Hotel, Ft. Worth, Texas.

Dear Mr. Skinner:

Replying to your wire of even date, requesting statement of probable rentals for facilities constructed under original layout and an amended layout in the Kansas City Food Terminal. I am assuming that you refer to the elimination of a second floor on one of the produce buildings and the substitution therefor of an addition or annex to Produce Building "D" and the elimination of acution warehouse and incinerator.

The original estimate contemplated the construction of 80 office units each at $600.00 per annum, all of which units would have been constructed on the second floor of two buildings. In other words, the income from the second floor of each building was estimated to gross $24,000 per annum.

After deducting stairways, hallway and public utility space, there will be 23,200 square feet of rentable area on the second floor of unit "D". The City fixed the rental on this space at $1.10 per square feet per annum and, therefore,

the full occupancy of this area should gross $25,520 per annum.

After carefully canvassing the produce trade at Kansas City, including brokers, telegraph companies, refrigerator lines, railways, etc., we find that the entire area on the second floor of Unit "D" will be entirely adequate and that no additional office space in the market area will be needed. However, practically all of this space has been reserved and we expect to obtain tenants for the City to occupy the second floor of Unit "D".

The annex or addition to Unit "D" which, it is proposed, will be substituted for the second floor, will consist of a building about 450 feet long and 30 feet wide with a center entrance leading from Minnesota Avenue to the center of Unit "D" by underground passageway as well as surfaceway. This building will contain nine bays north of the entrance and ample demand exists for all of the space for drug stores, seed houses, hardware, work clothing, and sundry lines generally associated with a wholesale market. Each bay will be leased for $75.00 per month so that the portion north of the entrance should produce a revenue of $675.00 per month. The portion south of the center entrance will be utilized for bank, lunch room, kitchen and dining room and it is estimated that they will produce an income of $900.00 per month which, added to the $675.00 per month, will produce a gross income of $18,900 per annum. [fol. 633] The office space in Unit "D" includes heat, electric lights, janitor service and air conditioning, while the space in the Merchants' Buildings should not carry any obligation for janitor service, heat, electric lights or air conditioning.

The incinerator, as you well know, would produce no income and would result in an operating charge for fuel, maintenance and personnel. The auction warehouse would contain both auction room and a warehouse. The only offer obtained to rent that facility was $100.00 per month which, as you will understand, will not be adequate rental for a building of that size and cost.

I have, therefore, revised the original estimate and attach hereto nine copies as you requested. Also attached you will find nine copies of schedule of interest and principal on the revenue bonds outstanding.

Trusting that this will give you the information you desire and with best wishes, I am

Very truly yours, G. E. Stanley.

[fol. 634] (Copy)

Kansas City, Mo., Sept. 9, 1939.

Mr. R. R. Mitchell:

Answering your letter of September 8th, file B-5704-2404-1047.

Your understanding is correct. The cold storage plant will not be completed until about January 1st. The first produce unit will be completed about October 10th, the second produce unit will be completed before November 1st and the merchants' buildings should all be completed by November 10th.

I am inclined to believe that it is best to pick out a Monday opening date and move all the merchants on a Saturday afternoon and Sunday so they will not miss a single day of business. I also think it would be best to move them all at one time, if possible.

Give us a check up the first time you have a chance to look over the food terminal under construction.

G. E. Stanley.

[fol. 635] (Copy)

Kansas City, Mo., Sept. 19, 1939.

Mr. J. L. Haugh:

Attached you will find copy of wire despatched by Mr. J. D. Donovan, Manager Production and Distribution, Board of Public Utilities, to Mr. L. W. Baldwin, Missouri Pacific Railroad, St. Louis, and copy of wires sent by Ray T. Willette, Manager, Chamber of Commerce, to the Presidents of the Santa Fe, Rock Island and Missouri Pacific.

Mr. John Fenimore of Pittsburg, Kansas, President of the Kansas State Chamber of Commerce, will be in Kansas City tomorrow morning and the State Chamber of Commerce, together with the Kansas State Industrial Commission and Governor Ratner, are expected to register strong protests to the three railroads tomorrow.

Mr. DeOreo informed that representatives of the competing railroads are already stating to the trade at Kansas City that they bought their way at Denver and expect to do the same thing at Kansas City. This is an effort to bait the trade here in order to prevent them moving to our market.

We are watching everything closely and concentrating with the brokers on the leases and office space.

G. E. Standley.

[fol. 636] (Copy)

A-2404-5403-Fairfax.

Union Pacific Railroad Company.

Telegram

KCMo 9/25/39.

RRM-Omaha
FWR-Omaha

Mr. Haugh and Mr. Stanley further discussion Food Terminal concluded have initial opening and exhibit to produce dealers employes their families in Building A afternoon Oct. 8. Expect have south unit No. 100 in this southwest building completed including decorations. Remainder building will be nearly completed and crowd will be accommodated on trading platform ease side building. Expect paving be completed farmers market, also east and west street south of Buildings A and B, also one half of street between Buildings A and B will be completed Oct. 8. Notice been served several dealers old market vacate quarters not later Oct. 21, plans now contemplate having buildings A and B ready occupancy Oct. 23, although "B" not be entirely completed that time.

There was enthusiastic meeting farmers and families in Farmers' market Sunday 24th, addressed by civic leaders and GES, about 300 to 400 attending.

Orig RRM—Cy FWR.

C. C. W—12 M.

Blind Cy.—Mr. G. E. Stanley.

[fol. 637] (Copy) (S-20)

Omaha, October 16, 1939.

Mr. G. E. Stanley:

We were talking about the payment of principal on the revenue bond issue covering the Kansas City Food Terminal.

The first payment of principal is due Nov. 1, 1940, amount $45,000. The next payment is due Nov. 1, 1941, amount $46,000., each of the principal payments falling due on the first of November thereafter.

Interest is payable each six months—May 1 and Nov. 1. The next interest payment of $60,000. is due Nov. 1, next. Because the food terminal is not completed and not producing revenue, it will be necessary to take a part of this money from the construction fund, which is contemplated under the bond agreement.

(Signed) J. L. Haugh.

cc—Mr. W. R. Rouse.

[fol. 638] (Copy)

717 Railway Exchange Bldg., October 24, 1939.

Mr. H. F. Schaible, 1004 Quindaro Blvd., Kansas City, Kansas.

Dear Henry:

I have your letter of October 23rd and appreciate your keen interest in the new market.

Willard talked to me about the same thing. Both he and I will certainly be glad to do something for you. Frankly, I am somewhat bewildered at the magnitude of the enterprise and how it can be operated most efficiently. The market is owned by the city and the governing body will have to select a manager.

I have always appreciated what you have done to assist our development in and near Kansas City, Kansas, and we have always tried to reciprocate your kind feelings. I regret that I am unable to assure you a position, as you request. However, I will do what I can and just as soon as Willard returns I will talk to him further about the matter. You know the situation as well as I do and I will be glad to have your own suggestions as to how your application should be handled.

We have had splendid success in securing leases. Three of the main buildings have been completely leased. All of the farmers' stalls are gone and you, of course, know the cold storage is in good hands. The big job is to move the trade and to do it at one time. If possible, I am anxious to fix the date of opening for Monday, December 4th so that the merchants can get in on the Christmas trade. After January 1st business will be quite slow and it would be an unfavorable contrast to their Christmas business. It is a very

delicate proposition to get the merchants to agree to move at one time and we have much to do in that direction.

I know what you have had plenty of experience and there is no question about your qualifications. If the market is handled right it will make Kansas City, Kansas, and prove to be its greatest asset.

With all good wishes, I am

Yours truly, C. E. Stanley.

[fol. 639] (Copy) (S-27)

Telegram

1939 Nov. 20 PM 7 18.

386U

Montello Nev 20 1110A

GE Stanley KC

Orig G E Stanley KC CY G F Ashby Oma. Phoned Mr. Ashby this morning and he will be in Kansas City this week possibly tomorrow to talk with you and Mr Briedenthal about banking credits.

J. L. Haugh.

Telegram

1939 Nov 22 PM 11 39.

497U

Palo Alto Calif 22 748P

G E Stanley KC

Mr Dunlap vice president, Bank of American was in Kansas City last week. He told me here that the bankers whom he saw at Kansas City, Missouri were very much disturbed lest the Kansas City, Kansas bankers would get the accounts for the new market. Wish you would talk with Mr. Sweeney or someone of the First National about this. Possibly they can help materially in credit situation. Unless they do they are certain to lose these accounts.

J. L. Haugh.

[fol. 640] (Copy)

November 27, 1939.

City of Kansas City, Kansas

Union Pacific Railroad Company, 717 Railway Exchange Building, Kansas City, Missouri.

Gentlemen:

Please be advised that Buildings A, B, C, and D will be ready for occupancy on or about December 4, A.D. 1939. This occupancy will not be a revenue occupancy by the tenants, but is the date upon which the tenants will occupy the space and will need railroad service from the perishable team track yard for which the Union Pacific Railroad is under contract to construct on that portion of the Public Levee leased by the City of Kansas City, Kansas, to the Union Pacific Railroad Company.

This notice is given in compliance with section 3 of the agreement between the Union Pacific Railroad Company and the City of Kansas City, Kansas, relating to the lease on the Public Levee for a perishable team track yard, which section provides that the City of Kansas City, Kansas, must notify the Union Pacific in writing when the first four buildings described in subdivision (d) of section 1 of said agreement, are completed and ready for occupancy.

This notice is forwarded to you in advance of the completion date.

Very truly yours, For the Board of City Commissioners, By (s) Alton H. Skinner, City Attorney.

AHS—D

[fol. 641] Tenants Without Leases

Quality Banana Co.
Mallin Produce Co.
Litman Produce Co.
National Produce Co.
Garrett-Holmes Co.
W. F. Helm Commission Co.
Henry Fishman and Co.
Midwest Potato Co.
Royal Fruit & Produce Co.

F. Pepperdine & Sons
California Fruit Co.
S. Junsberg Produce Co.
Winnick Bros.

Kansas City, Mo.,
Dec. 7, 1939.

[fol. 642] (Copy)

Memorandum Respecting Problems Confronting the Board of City Commissioners of the City of Kansas City, Kansas, in Connection With the Establishment of the Produce Terminal on the Public Levee in the City of Kansas City, Kansas.

The development of the Produce Terminal on the Public Levee property was made possible by three sources:

1. A grant obtained from the Federal Emergency Administration of Public Works of the United States of America in an amount of 45% of the cost of the project upon completion, but not to exceed the sum of $1,710,000
2. The sale of public levee terminal revenue bonds in the amount of $3,000,000, a part of which was to be used to take up an outstanding issue of public levee revenue bonds in the amount of $1,033,000, leaving funds to be devoted to the development of the project in the sum of $1,967,000
3. The sale of general obligation bonds of the City, the proceeds of which were to be expended in the construction of certain necessary street and sewer improvements, in the amount of 123,000

A total of $3,800,000

This project was conceived as a result of studies made by local, state and national experts whose recommendations, after mature study and consideration, indicated the need of such a facility. Part of the facilities constituting the project are now completed and the remainder of the facilities are nearing completion. It has been declared to be the finest produce terminal in the United States and

affords an opportunity to the trades people of this territory to conduct their business in this modern terminal in a most economical manner and offers opportunities for expansion which, without such a modern terminal, would not be possible.

The Board of City Commissioners of the City of Kansas City, Kansas, preparatory to leasing the facilities in the produce terminal, adopted a form of lease for the produce dealers which provided, among other things, for a rental of $150.00 per month for each of the produce dealers' units with allowances during the first three months of the term of the lease by way of reduced rent to cover certain moving expenses. At the time the City commenced negotiations with prospective lessees for use of space in the Kansas City Food Terminal, it developed that certain costs would be incurred by some prospective tenants, due to rental obligations on present places of business and costs due to abandonment of equipment and facilities located in said places of business, and said prospective tenants, as a condition precedent to accepting a lease in the Kansas City [fol. 643] Food Terminal, have asked the City to absorb certain of their costs. Many of the produce dealers who have made these requests upon the City are key men in the industry and their location in the Kansas City Food Terminal is essential to the success of the Terminal. The City realizes that if the key men in the industry are not secured as tenants in the Kansas City Food Terminal, it will be a great deterrent to securing full occupation and use of the Terminal and that in order to operate the Terminal in the most economical manner and to secure the maximum amount of revenue from the facilities constituting the Terminal, full occupation thereof is necessary. The amount involved in making settlements with the prospective tenants with whom the City has carried on negotiations and who have asked that the City absorb part of their costs in connection with moving from their present places of business to the Kansas City Food Terminal amount of $142,550, of which $111,850 is requested in cash settlement and $30,700 is requested by way of credits on future rentals covering facilities in the Kansas City Food Terminal.

In a project of this magnitude customary business methods for securing tenants in new facilities have established

that it is the prudent and necessary thing to do in initiating the project to secure the full cooperation of tenants necessary to obtain the fullest possible occupancy of the facilities and that it is entirely reasonable for the City to make adjustments with prospective tenants in order to secure their cooperation in the new Kansas City Food Terminal.

On September 18, a news item appeared in the Kansas City Star to the effect that the Atchison, Topeka & Santa Fe Railroad, Chicago, Burlington & Quincy Railroad, Chicago, Rock Island & Pacific Railroad, and the Missouri Pacific Railroad would join in the construction of a team track and diversion yard at the north end of Grand Avenue in Kansas City, Missouri. Such construction would be directly competitive with and against the interests of the Kansas City Food Terminal. The Mayor and Board of City Commissioners immediately wired protests to the executives of each of the carriers named, endeavoring to get them to withhold such construction. In addition to these protests, similar ones were sent by Governor Ratner, Senator Reed, Senator Capper, Kansas State Chamber of Commerce, Kansas City, Kansas Chamber of Commerce, State Senator Joseph McDonald and many others. The railroads answered by saying that they would give the Board of City Commissioners and other protestants a hearing before they made commitments to proceed. On Monday, November 27, Mr. Curley, Vice President of the Santa Fe, told the Mayor that the hearing would be held in the office of Mr. Duffy, President of the Kansas City Terminal at 10:30 Friday morning, December 1.

The hearing was held as scheduled. The four railroads were represented by Mr. Gurley, Vice President, for the Santa Fe; Mr. Budd, President, for the Burlington. Mr. Durham, Chief Executive Officer, for the Rock Island and Mr. Baldwin, Chief Executive Officer, for the Missouri Pacific. The Mayor and City Commissioners George Darby and Francis Blake and City Attorney Skinner represented the City. Mr. James Donovan, Manager, Board of Public [fol. 644] Utilities, represented that body. Mr. William Bailey represented Senator Capper and the Capper publications. Mr. Frank Holcomb, Chairman, Board of County Commissioners, represented the County. Mr. Jack Torbert, President, represented the Chamber of Commerce. Mr. Ray Willette represented the Kansas State Chamber

of Commerce. Mr. J. W. Perry represented the Forward Kansas City Committee of Kansas City, Missouri. State Senator McDonald from Wyandotte County and Mr. Willard Breidenthal, banker, appeared with the civic delegation. Mr. J. L. Haugh, Vice President of the Union Pacific Railroad, appeared with the Kansas City delegation on invitation of the Mayor. Everyone of the delegation, representing the protestants, spoke completely and earnestly about the serious harm that would be done to the public enterprise sponsored, developed and owned by Kansas City, Kansas, if the railroads should persist in their undertaking. Mr. Haugh advised the railroads that he would be willing to negotiate with them on any justifiable basis for their joint use or ownership of the rail facilities serving the Terminal and suggested a meeting immediately for that purpose.

After hearing all of the statements, representatives of the four railroads withdrew from the room. When they returned they advised the city that they could not accede to their request and would proceed with the construction of the competitive terminal. They were asked by Mr. Perry if they would not negotiate with Mr. Haugh as he suggested. Their reply was that it would be useless; that their decision had been reached.

Immediately upon adjournment of this meeting, the above representatives of the four railroads went to a meeting in Mayor Bryce Smith's office, at which time they arranged for and announced the construction of the competitive terminal together with a viaduct on Grand Avenue.

This effort to thwart the success of the Kansas City Food Terminal places in jeopardy not only the investment in the public levee terminal revenue bonds but also the investment of the city and of the Public Works Administration of the United States of America and is an attack not only on the City of Kansas City, Kansas, and its citizens but also on the Government of the United States. In this emergency the Board of City Commissioners of the City of Kansas City, Kansas, feels that whatever can reasonably be done to make the Kansas City Food Terminal a successful project should be done and should be done at this time.

The amount of money required to make settlements with the prospective tenants as above indicated is $11,850 in

cash and $30,700 in credits on advance rentals, or a total of $142,550. The estimated amount of rental that may be secured from the produce dealers' buildings and auxiliary facilities in the Kansas City Food Terminal if full occupancy is secured over a thirty-year period is $7,542,660. The amount of the settlement required amounts to 1.9% of the total rental. It is most reasonable that the city should expend the sum required rather than lose the prospective tenants, the loss of which will threaten the success of the project and thereby cause the city great loss and subject the [fol. 645] Board of City Commissioners to severe criticism for failure to protect against that loss.

A method of taking care of the expenditures necessary to make the settlement, which has been under consideration by the Board of City Commissioners and the City Attorney of Kansas City, Kansas, contemplates that the city will secure an advance payment of rental from certain tenants of the facilities in the Kansas City Food Terminal, the City agreeing to credit such tenants with such payments as advance rentals under their leases and that the city will thereupon pay out the amount thus secured in making settlements with prospective tenants who have requested settlements as a certain precedent to their moving into the Kansas City Food Terminal, such settlements to be conditioned upon the prospective tenants agreeing to the following conditions:

1. That he will move from his present place of business into the space in the Kansas City Food Terminal covered by his lease not later than the 31st day of December, 1939.

2. That for a period of not less than five years from and after the date mentioned in item 1 above he will conduct his wholesale fruit and produce business solely in the Kansas City Food Terminal.

3. That he will file with the City a verified statement supporting in detail the elements of damage making up the costs incurred.

The market was opened for business, Monday, December 4. Forty-one units are occupied. Fourteen of the dealers occupying 23 units have partly moved from their old location to the new, leaving a part of their business in the old location, pending adjustments to be made to cover

cost to them by reason of the relinquishment of outstanding leases, equipment, fixtures and other improvements to the leased premises and certain other definite items. It is necessary to complete this move immediately or there is great danger of losing all of these tenants. They are importantly controlling. This adjustment must be made quickly or there is almost certain danger of a very great loss to the city by reason of tenants.

In any large enterprise, such as the Field office building in Chicago, Radio City buildings in New York and other large enterprises, it is always necessary to expend a substantial amount to secure the initial occupancy. Many cities purchase sites and give them to industries in order to secure industrial development. Here, however, the City of Kansas City, Kansas, is faced with an expenditure already made of $3,800,000, which must be protected by revenues. The estimated revenues by complete occupancy amount to $300,000 yearly. The amount suggested in settlement is less than one-half year's rental on the entire project. When well occupied by tenants and established, it will endure for 50 to 100 years, bringing in new revenues to the City treasury.

Kansas City, December 9, 1939.

[fol. 646] (Copy)

Notice

To the Board of City Commissioners,
Kansas City, Kansas.

Be It Resolved by the Citizens Advisory Committee appointed by the Board of City Commissioners of Kansas City, Kansas, that it herewith endorses and recommends to the Board of City Commissioners that it adopt and carry out the provisions of the attached resolution in connection with the settlements to be made with prospective lessees on the Kansas City Food Terminal.

The above motion was made by Mr. Harry Butler, seconded by Mr. Jack Torbert, and was unanimously adopted by the Citizens Advisory Committee at a meeting with the Board of City Commissioners on the 11th day of December, 1939.

The resolution above referred to is attached and made a part of this motion.

Citizens Advisory Committee: Maurice L. Breidenthal. Dan Scherrer. J. S. McDonald. Harry T. Tibbs. Blake Williamson. George H. Gray. Harry Butler. Jack Torbert. Milton W. Feld. E. W. Stilwell. Claude F. Pack. James H. DeCoursey. Willard J. Breidenthal. Harry Darby. Glen E. Sheperd. John W. West. William Drennan. W. A. Bailey. J. G. Boomer. R. T. Willette.

[fol. 647] (Copy)

Resolution No. 11273

Whereas, The Board of City Commissioners of the City of Kansas City, Kansas, by Ordinance No. 30304, passed on the 6th day of December 1938, approved by the Mayor on December 6, 1938, and published in the official paper of Kansas City, Kansas, on December 8, 1938, adopted a uniform lease form for the leasing of wholesale units in the Kansas City Food Terminal, which said form provided, among other things, for a rental of Fifty Dollars ($50.00) per month per unit for the first three months and One Hundred Fifty Dollars ($150.00) per month per unit for each additional month thereafter; and

Whereas, in connection with negotiations with prospective lessees for use of space in the new Kansas City Food Terminal, the City has found that certain costs would be incurred by some prospective tenants, due to rental obligations on present places of business and costs due to abandonment of equipment and facilities now located in and the good will of said established places of business, and said prospective tenants, as a condition precedent to the acceptance of said leases, have asked the City to absorb a part of said costs; and

Whereas, The City, after consideration, have found that in the initiation of the Kansas City Food Terminal Project desirable tenants have engagements and existing facilities that must be taken into consideration in securing the cooperation of such persons and the occupation by them of the facilities in the new Terminal, and that it is the prudent and necessary thing to do in initiating the project and to secure the full cooperation of the dealer tenants necessary

to obtain the fullest possible occupancy of the facilities; and

Whereas, The Board of City Commissioners have been advised by an opinion concurred in by the City Attorney and William Drennan, requested by said Board to assist the City Attorney, that the Board of City Commissioners have power and authority in its descretion to use funds from the Public Levee Revenue Fund to make such settlements either with cash or credits on rental, or both, necessary to cover the reasonable expenses of said dealer tenants, including the amortization of existing leases, the reasonable cost of fixtures, equipment and other improvements in their present places of business and also including the expenses incident, including good will, of reestablishing their business in the Kansas City Food Terminal.

Now Therefore Be It Resolved by the Board of City Commissioners of the City of Kansas City, Kansas:

That the City of Kansas City, Kansas, proceed promptly to negotiate with each prospective lessee to determine upon the character and amount of such costs to be established by sworn statements of said prospective tenants and upon agreement with respect thereto to enter into leases with them for facilities in the Kansas City Food Terminal on such terms and conditions as to cash payments to said tenants or credits on future rentals, or both, as the Board of City Commissioners of the City of Kansas, Kansas, may determine to be necessary and proper expenses in connection with the establishment and operation of said Kansas City Food Terminal.

[fol. 648] This resolution is adopted subject to the affirmative opinion of the Attorney General of Kansas as to the legal authority to take definite steps to carry out the policy outlined in this resolution.

Adopted by the Board of Commissioners this 13th day of December, 1939.

—— ——, City Clerk.

[fol. 649] (Copy)

Motion

To the Board of City Commissioners, Kansas City, Kansas.

Be It Resolved by the Citizens Advisory Committee appointed by the Board of City Commissioners of Kansas

City, Kansas, that it herewith endorses and recommends to the Board of City Commissioners that it adopt and carry out the provisions of the attached resolution in connection with the settlements to be made with prospective lessees on the Kansas City Food Terminal.

The above motion was made by Mr. Harry Butler, seconded by Mr. Jack Torbert, and was unanimously adopted by the Citizens Advisory Committee at a meeting with the Board of City Commissioners on the 11th day of December, 1939.

The resolution above referred to is attached and made a part of this motion.

Citizens Advisory Committee: (S.) Harry Butler. Jack Torbert. Milton W. Feld. E. W. Stilwell. (Unsgnd.) Claude F. Pack. (S.) James H. DeCoursey. Willard J. Breidenthal. Harry Darby. Glen R. Shepherd. John W. West. William Drennan. W. A. Bailey. J. G. Boomer. R. T. Willette. Maurice L. Breidenthal. Dan Scherer. J. S. McDonald. Harry T. Tibbs. (Unsgnd.) Blake Williamson. (S.) Geo. H. Gray.

[fol. 650] (Copy)

Whereas, The Board of City Commissioners of the City of Kansas City, Kansas, by Ordinance No. 30304, passed on the 6th day of December, 1938, approved by the Mayor on December 6, 1938, and published in the official paper of Kansas City, Kansas, on December 8, 1938, adopted a uniform lease form for the leasing of wholesale units in the Kansas City Food Terminal, which said form provided, among other things, for a rental of Fifty Dollars ($50.00) per month per unit for the first three months and One Hundred Fifty Dollars ($150.00) per month per unit for each additional month thereafter; and

Whereas, in connection with negotiations with prospective lessees for use of space in the new Kansas City Food Terminal, the City has determined that certain costs would be incurred by some prospective tenants, due to rental obligations on present places of business and costs due to abandonment of equipment and facilities now located in and the good will of said established places of business, and said prospective tenants, as a condition precedent to the

acceptance of said leases, asked the City to absorb a part of said costs; and

Whereas, The City, after mature consideration, concluded that in the initiation of the Kansas City Food Terminal Project desirable tenants may have engagements and existing facilities that must be taken into consideration in order to secure the cooperation of such persons and the occupation by them of the facilities in the new Terminal, and that it was a prudent and necessary thing to do in initiating the project to secure the full cooperation of the tenants necessary to obtain the fullest possible occupancy of the facilities; and

Whereas, The Board of City Commissioners of the City of Kansas City, Kansas, has been furnished with an opinion by the City Attorney and a committee of lawyers appointed by said Board to assist the City Attorney that the Board of City Commissioners has full legal power, in its discretion, to make settlements with prospective tenants in the Kansas City Food Terminal by way of the payment of cash or credits, either or both, on future rentals to cover the costs of said prospective tenants which involve rentals under existing leases, unamortized cost of fixtures and equipment and other improvements in their places of business and the good will of their established places of business; and

Whereas, pursuant to said opinion so received, the Board of City Commissioners of the City of Kansas City, Kansas, has appointed an advisory committee of leading citizens of the City of Kansas City, Kansas, to advise the and assist the Board in the determination of the necessity for and the sound public policy of entering into leases with said prospective tenants upon terms and conditions providing for the settlement and payment by the City of the costs incurred by such tenants in abandoning their present places of business and occupying space in the Kansas City Food Terminal; and

[fol. 651] Whereas, full consideration has been given by the Board of City Commissioners and the committee of citizens to the emergency with which the City if confronted in obtaining the fullest possible occupancy of its Food Terminal property by reason of public announcement of the proposed construction of competitive food terminal facilities as a result of which consideration the Board of City Commis-

sioners, with the advice and approval of the committee of citizens, has determined that payment by the City in cash or credit, either or both, against future rental is an essential and proper operating expense of the City in connection with the establishment of said Food Terminal.

Now Therefore Be It Resolved By The Board of City Commissioners of the City of Kansas City, Kansas:

That the City of Kansas City, Kansas, proceed promptly to negotiate with each prospective lessee to determine upon the character and amount of such costs to be established by sworn statements of said prospective tenants and upon agreement with respect thereto to enter into leases with them for facilities in the Kansas City Food Terminal on such terms and conditions as to cash payments to said tenants and/or credits on future rentals as the Board of City Commissioners of the City of Kansas, Kansas, may determine to be necessary and proper expenses in connection with the establishment and operation of said Kansas City Food Terminal.

[fol. 652] (Copy)

Kansas City, Missouri, December 12, 1939.

File: A-2404-1501-1

Mr. R. R. Mitchell:

Further, with reference to Kansas City Food Terminal activities:

There is attached a memorandum showing the fruit and produce firms in the various produce buildings, as of today.

There is also attached clipping from the Kansas City Times with reference to finance arrangements worked out by the City to take care of moving expense, unexpired leases, etc.

While there has been considerable talk on the part of the principal opposition, including the U. S. Cold Storage and Merchants Bank, of plans for the Missouri side improvements, we have heard little more from the four railroads, other than the general impression they are going ahead with the yard improvement program. It has been stated the development will start January 15th, with a ceremony of some kind.

Our traffic representatives have been endeavoring to cooperate as opportunity affords by contacting grocerymen,

fruit dealers, and others, from time to time, in an effort to interest them in making their purchases through the new terminal.

Most of the dealers in the Kansas City Food Terminal report business well up to expectations, and most of those in the new terminal have discontinued their operations on the Missouri side.

C. C. Weedin.

[fol. 653] (Copy)

Produce Dealers in Kansas City Food Terminal

Bldg. A

A. Robinson & Sons Fruit Co	100–102
Quality Banana Co	104
Shefford Cheese Co	106
Mallin Produce Co	108–110
H. Winer Produce Co	112–114
Litman Produce Co	116
National Produce Co	118
N. DeMarea	120
Garrett & Holmes	122
W. F. Helm & Son	124–126
Henry Fishman Co	128
D'Angelo Celery House	130
Pisciotta Fruit & Vegetables	132
Jack DeFeo	134–138

Bldg. B

Missouri-Kan. Produce Co.	101
C. Polito Produce Co	103
Watrous & Sons	107
Heart of America Growers'-William Fean	109–111
Widwest Potato Co	113
L. Gordan & Son	115
Walinov Produce Co	117
Market Fruit Co	119
Baum Fruit & Produce Co	127
Terminal Paper & Supply Co	129
Dreyer-Dwerak Commission	131–133
Royal Fruit & Produce Co	135
J. Pepperdine & Sons	137

Bldg. D

Sarser Produce Co	200–202
Junsberg & Son	204
Winick Bros.	206
Palermo & Sons Co	208
A. Feinberg & Son	212
L. Yukon & Sons	214–216
Lobby for Brokers' offices	218
Litman Produce Co	234–236

[fol. 654] (Copy)

Brown and Loe

Car Lot Brokers

Kansas City, Mo., Dec. 23, 1939.

Mr. E. J. Engel, President Atchison, Topeka & Santa Fe R. R., 80 East Jackson St., Chicago, Ill.

Dear Mr. Engel:

Please find attached clipping covering your statement to the press.

We admire any man that will work hard in the interests of protecting his own business and we cannot blame you for doing what you can to protect your through traffic from the Coast to Chicago. In all probability the Union Pacific, in visualizing the future, pictured how wonderful it would be for them to have the most modern food terminal in the country, located right here in Greater Kansas City. As the Union Pacific tracks terminate here, this unquestionably is the most logical place for such a food terminal as far as the Union Pacific is concerned. No doubt other lines, that is through lines did not see that opportunity, for taking into consideration their long haul business, it would be to their advantage to make a whistling station out of Kansas City. No doubt if you could duplicate the Kansas City Food Terminal on your tracks in Chicago, that would be the biggest thing the Santa Fe could do in protecting their perishable traffic from the West.

In your article you have made a gross misleading statement. We realize a man in your capacity would not do

this intentionally, we feel that you have not recently visited the Kansas City ,Missouri, market and the Kansas City Food Terminal located in Kansas City, Kansas. Also that you have been misinformed by others and must have taken it for granted they know what they were talking about. We believe that one of the above reasons or both are responsible for you making such a statement to the press.

I am personally acquainted with many of your men employed in your local freight department including your Local Freight Agent. I request that you have one of your men call on me personally, make a tour of inspection and show me cold storage rooms in the basements of the Kansas City, Missouri, wholesale market just completed, also show me tracks directly adjoining each place of business. In the Kansas City Food Terminal I can show your men such facilities, also many other excellent facilities the Kansas City, Missouri, market does not have and which on account of physical conditions cannot be had for the efficient and economical handling of fresh fruits and vegetables. The Kansas City Food Terminal is anything but "a direct duplication of facilities in Missouri." I can show you yards [fol. 655] in Kansas City, Missouri, near the proposed site for your terminal yards with grass growing in them, your terminal yards will add nothing for the benefit of the produce business in Greater Kansas City. If your terminal yards are used by produce men, they will still have to haul merchandise from the cars to their places of business, the same as they have been doing for the past eighty years or more. This has proven to be a most expensive item for a produce firm. The Kansas City Food Terminal has eliminated this big item of expense.

I now await with interest a personal call by a representative of your organization.

Very truly yours, Brown and Loe (Signed) Dudley Brown.

[fol. 656] (Copy) (S-19)

K. C. Mo., 1/4/40.

F-2404-1501-4

WMJ NAW Omaha and on Line
FWR—Omaha
JLH—KC
GES—KC
GHW—KC
CPC—Omaha and on Line

Report KC Market 9 AM 4th:

17 cars team track including 15 new arrivals.
5 unloaded team track.
18 house track including 10 new arrivals.
7 unloaded house track.
35 loads in terminal.
27 diversions.
21 on State Line team track including 3 new arrivals.

KC Food Terminal check 1 AM to 9 AM:

29 grocers making own purchases.
10 independent buyers, each making deliveries to several independent grocers, estimate of 80 grocer orders.
23 out City jobber buyers from Iowa, Nebr., Mo. and Kans. all heavily loaded.
7 hucksters.
47 produce dealer dely. trucks, estimate of 320 grocer orders.

Following brokers have moved into brokers' office space in building "D". Graham Cooksey, Martin Ungerleider and Brown and Loe.

Estimate 429 grocer buyers, 7 farmers Kansas market, none Missouri. Cloudy. Temperature 18. Market slow to 6 AM then strong. F-11.

Jt. WMJ NAW FWR JLH GES GHW CPC

CCW 1015 AM

DAM:P BCC Mr. Wm. Nauman.

[fol. 657] Market Report Ex. 13-234

K. C. Food Market & Terminal

Docket Kansas 1356-F

For the Week Ending:

Saturday, January 13, 1940, 9:00 A.M.

	Week Ending 12-30-39*	Week Ending 1-6-40**	Week Ending 1-13-40
Cars on Team Track	206	127	79
New Arrivals Team Track	94	105	63
Cars Unloaded Team Track	23	10	3
Cars on House Track	74	63	74
New Arrivals House Track	43	38	40
Cars Unloaded House Track	49	44	40
Total Loads in Terminal	280	190	153
Diversions	101	90	48
Cars on State Line Team Track	165	164	151
New Arrivals State Line	...	81	105
New Arrivals Greater Kansas City	...	...	74
Same Day 1939	...	...	47
On Hand Greater Kansas City	...	...	119
Same Day 1939	...	...	95
Farmers at New K. C. Food Terminal	29	25	15
Farmers at Missouri Market	55	23	None
K. C. Food Terminal Check			
Grocers Making Own Purchases	157	145	130
Ind. Buyers Making Grocery Delys	...	54	47
Estimated Grocer Orders	...	480	470
Out of City Jobbers	138	125	152
Hucksters	105	25	50
Produce Dealer Delivery Trucks	317	238	307
Estimated Grocer Orders	...	1,650	1,425
Total Estimated Grocer Buyers	717	2,240	1,975
City Trucker Dealers	...	...	25
Temperature (Average)	20	8	22

* No report received for December 25th, Christmas Day.

** No report received for January 1st, New Year's Day.

Market slow first part of week, due to extremely bad weather from over the weekend; speeding up latter half, with the exception of Saturday, when driving was made exceedingly difficult by heavy sleet. Out of city jobbers reported from Iowa, Missouri, Nebraska, Kansas, Minnesota and Louisiana this week. Estimated grocer orders and grocer buyers show a slight decline due to the fact that no report was made on these items Friday and Saturday.

W. J. Nauman, Jr., Co-ordinator K. C. Food Terminal Market, City of Kansas City, Kansas.

[fol. 658] (Copy)

Fairfax District, Kansas City, Kansas

January 15, 1940

Mr. G. E. Stanley:

Mr. H. A. Toland, General Auditor of the Union Pacific, has asked me for more definite information in regard to the work actually performed by the survey crew on my Land Company pay roll for which work charges were made against the Union Pacific on account of Kansas City Food Terminal or Public Levee Development beginning with February, 1938. In line with this, Mr. Haugh informs me he has a written request from Mr. Toland asking for similar information and also listing some prior charges beginning with September, 1937.

The following is a list of the work actually performed:

September and October, 1937, running the original cross sections over the ground upon which the Union Pacific team track yard is now constructed, platting same and estimating quantities based on various grade lines.

During 1938 for the first three or four months the field party was working on various schemes for the lead to the team track yard coming in from the north and the second three months of the year was working on the plan which was finally adopted and constructed. This plan required purchase of right of way from the Phillips Company and a complicated exchange of property between the Land Company, the Drainage District, the Union Pacific, and Phillips, all of which was on account of the construction of the Union Pacific inspection and switching yard adjacent to the river and the time charged from July to September was for field surveys and computations on account of this right of way.

In November, 1938, the Union Pacific Railroad purchased the revenue bonds covering the City's portion of the cost of the project with the proviso that "The Railroad may at its own option, designate a competent engineer who shall, without expense to the City, cooperate with the City's engineer in all matters relating to the construction of improvements of and additions to the Public Levee of the City of Kansas City, Kansas, and who shall be authorized in conjunction with the City's engineer, to inspect and approve all plans and specifications covering the making of said improve-

ments and additions; to approve estimates covering payments for all work and to assist in the supervision of all construction and the inspection of all work done in connection with said improvements." This is usual procedure on large projects financed by bonds. This office was appointed the engineer representative of the bond holders and the charges from December, 1938, to date are against this account except for the cost of setting up display booths at various exhibits or conventions at which the Union Pacific had a display advertising the Market. These exhibit charges should be assessed against advertising and the amount can readily be obtained from the labor distribution for the month in which they occurred.

The charges from September, 1937 to November, 1938, should be against Work Order 7151.

(Signed) H. N. Higgins.

[fol. 659] PLAINTIFF'S EXHIBIT No. 14

Traffic File

T-I

Kansas City Food Terminal

[fol. 660] (Copy) (T-I)

Dec. 29th, 1936

Mr. J. L. Haugh, Mr. R. R. Mitchell
Mr. G. E. Stanley, Exec. Ass't, % Mr. C. C. Weedin, Union Pacific Railroad Co., 721 Railway Exchange Bldg., Kansas City, Missouri

Dear Mr. Stanley:

Replying to your letter of Dec. 26th, regarding trip of Mr. Joe De Orio and Mr. Wm. Fean to Kansas City, wish to advise that Mr. DeOrio was in the office on Saturday last week, and I gave him a letter of introduction to you, copy of which was mailed to you. Mr. DeOrio left here before I received your letter of the 26th.

He was going to spend a day or two in Cincinnati and other points enroute as he is driving to Kansas City, there-

fore I was unable to get in touch with him to make a definite appointment. However, you may rest assured that he will look you up and give you the letter of introduction which I gave him, as soon as he arrives in Kansas City; about the 5th or 6th of January.

Under separate cover I am mailing you a blue print of the lay out of the Northern Ohio Food Terminal in Cleveland and as soon as this blue print has served its purpose, I would like to have you return it to me, as the Manager from whom I secured it, through the assistance of the Agent of the Pacific Fruit Express, wants it back. Of course, I did not give any inkling of what we wanted it for.

Also we are sending you this year-s calendar of the Northern Ohio Food Terminal, which shows a number of pictures of the layout in that -erminal, which I think will be of help.

This terminal in Cleveland is an open terminal. That is, various railroads entering Cleveland can get into the market by delivering their cars to the Nickel Plate Road, which serves the terminal, and paying the latter $12.50 per car switching charge. The terminal is located at 40th and Orange Ave. about one mile from downtown Cleveland, and they have in this terminal, area as the blue print and calendar I am sending you show; auction house, terminal cold storage, wholesale canned goods concerns, warehouses for packers, such as Armour and Swift, poultry market, farmers and growers market, etc. If there is any further information I can furnish you, I shall be glad to have you advise, and would be pleased if you would drop me a line as soon as Mr. DeOrio and Mr. Fean have contacted you.

W. H. Benham.

[fol. 661] (Copy) (T-I)

Kansas City, Missouri
January 4, 1937

Mr. J. L. Haugh:

Following my talk with you over the telephone today, I consulted with Mr. J. DeOrio and Mr. Wm. Fean and made definite appointment with them at Kansas City for you and Mr. Mitchell on Monday, January 11th.

Mr. DeOrio expressed his high regard for Mr. Benham and stated that he would not consult or talk with anyone else in Kansas City until he knew whether or not it was possible to work out a deal with the Union Pacific.

Mr. Peters and I showed these gentlemen Fairfax and the Public Levee. They are particularly interested in the latter and stated it would be very suitable for a high class food terminal.

Between now and next Monday these people will develop their own definite suggestions. I have explained how it would be possible for us to assist them in obtaining P. W. A. finance through Kansas City, Kansas, which owns the property and could lease the same for a period of 99 years.

I will develop the matter further and give you some advance information prior to the scheduled conference at Kansas City.

G. E. Stanley.

CC—Mr. R. R. Mitchell, Mr. W. H. Benham, Mr. C. C. Weedin.

[fol. 662] (Copy (T-I)

Kansas Citly, Missouri, February 4, 1937.

A-2404-1501-1

Mr. R. R. Mitchell, Omaha:

You have been informed previously of the proposed fruit auction at Kansas City in connection with which I attach a copy of Mr. Stanley's letter of January 18th to Mr. Haugh.

Mr. Joe DeOrio of Cleveland, and Mr. Wm. Fean of Columbus are jointly sponsoring this, and it is still in a confidential stage, and it is, of course, their desire that it receive no publicity until the opportune time for public announcement.

Mayor McCombs, City Attorney Skinner, and Mr. W. J. Breidenthal, banker of Kansas City, Kansas seem to think very favorably of this proposal and, naturally, it will be promoted as a civic program.

Mr. Stanley and I have discussed this briefly with Messrs. DeOrio and Fean on different occasions, and they are of the opinion there is a wonderful opportunity for further developing Kansas City as a fruit and vegetable market. Their experience in developing the Cleveland and Buffalo fruit auctions causes them to believe that an auction here is very desirable from a standpoint of the trade, and that such facility would greatly increase the movement of perishables through Kansas City for the purpose of trying the market, much of which traffic would be diverted from both

southern and northern routes, due to the desires of shippers & brokers to have the traffic move through Kansas City. They believe that much traffic would be diverted from here to eastern markets rather than from St. Louis, for example. It is also felt that the Union Pacific should be the serving and switching line, and that such an arrangement would be helpful in enlarging to a very great extent the Union Pacific inbound movement from the West, in that quicker and more dependable deliveries might be expected in connection with our road haul and switching service.

There is a bill now before the Kansas Legislature proposing certain modifications in the revenue bond law, which will permit the City of Kansas City, Kansas to finance this with revenue bonds. Mr. W. J. Breidenthal advises measures for this financing are making satisfactory progress.

While we are not yet prepared to furnish you any estimate as to the increased traffic that we might expect, I have secured and am attaching for your information a statement compiled from advance information furnished us by Government authorities, indicating total arrivals of fruits and vegetables at Kansas City for the years 1936, 1935 and 1934, indicating total arrivals, cars unloaded, and diversions by commodities. I have indicated in ink total cars received via Union Pacific and unloaded during 1936 and 1935, that [fol. 663] may give you an idea as to the proportion of the total cars unloaded, handled via our line.

We have not yet broken down the other figures by specific commodities, however, during 1936 there were 299 cars of Union Pacific other fruits unloaded, as compared to 280 the previous year; and 1071 cars of other green vegetables, as compared to 935 cars the previous year.

It will be our purpose to seggregate these last-named items by specific commodities and then estimate the increase that we believe might be expected with this proposed facility served by the Union Pacific exclusively. In this connection I understand, however, the Missouri Pacific under existing agreements would have access to the industry, since it will be located east of Minnesota Avenue.

We are giving you this preliminary report and shall endeavor to keep you fully informed of developments everyone bearing in mind that the Union Pacific is to remain in the background for the present, when considering that there might be some adverse reaction from some of the dealers, and especially should the project fail to materialize.

Messrs. DeOrio and Fean seem to be very carefully studying their various movements, and have in mind the various obstacles that were encountered at Cleveland and Buffalo, and are planning on meeting such eventualities as they arrive.

C. C. Weedin.

[fol. 664] (Copy) (T-I)

Air Mail Personal

Kansas City, Missouri, February 23, 1937.

A-2404-1501-1

Mr. W. H. Benham, Cleveland, Ohio.

With reference to the proposed fruit auction here, with which you are familiar:

I am wondering if you can give me any helpful information as to how I can best go about making some estimate as to the effect such a facility would have on our revenues, bearing in mind that the Union Pacific should do all of the switching.

We have information as to the total cars of perishables unloaded at Kansas City on all lines, as well as the total road haul cars handled in via the Union Pacific and unloaded. Too, we have information as to the number of cars of different kinds of perishables delivered by the Union Pacific to various connecting lines and receipts therefrom.

Without in any way divulging where the proposed fruit auction is to be located, it was my thought you might be able to get some ~~idea~~ as to the effect the auction at Cleveland, and the one at Buffalo, had on the Neckle Plate and the Erie, respectively. As I understand it, the Nickle Plate was not handling a great deal of the traffic prior to the time the auction was established at Cleveland; hence the percentage increase was probably much greater than would be the case here. On the other hand, the Erie was probably handling a pretty good portion of the business into Buffalo prior to the establishment of the new auction at that point, hence the percentage increase there might give us a little better idea as to what percentage increase resulting from the locating of the auction on the Erie. I understand a great deal of the traffic was taken from the New York Central due to their failure to cooperate or take part in the auction development.

What I should like to do is to take the figures that we now have, showing all through traffic as well as that unloaded here, and make some kind of an estimate as to the increase that we might reasonably expect, depending, of course, upon the particular commodity involved.

Fully realizing that the situation here greatly differs from that at Cleveland and at Buffalo, I am hopeful you will be able to give me a little helpful information, bearing in mind that we desire to have this remain in a confidential stage.

C. C. Weedin

[fol. 665] (Copy) (T-I)

Personal

BCC—Mr. R. R. Mitchell:

While we have total figures showing deliveries by our line to other lines here, etc., as indicated above, I am pretty much in the dark as to how to go about making an estimate on through traffic that might be drawn here, without knowing more about the origin of the traffic. I understand from Mr. Stanley that Mr. Haugh has been talking to Messrs. Gray and Jeffers about this proposal.

C. C. Weedin

[fol. 666] (Copy) (T-I)

Union Pacific Railroad Company

Telegram

KC MAR 1 37 1225 P

RRM Oma and on line (private)

B 143 proponents very anxious nothing be said any produce men prior completion arrangements which progressing satisfactorily, have information showing total arrivals Kansas City for unload or diversions which does not include cars billed through. Figures show from 11 western states including our territory 7,815 unloads here, with 19,304 diverted after set out at this point. This total 27,119 represents 70 percent of all of the arrivals for unloading and diversion at Kansas City, of these total arrivals UP handled 42 percent and we handled 45 percent or 3,497 of the unloaded cars. I am endeavoring also make some estimate effect on through business that would be drawn this way

incidental proposal, little doubt but that when facilities once provided all or practically everyone of dealers will promptly move to new locations. Will keep you informed developments and further estimates a 78

CCW

[fol. 667] (Copy) (T-I)

Memorandum

The attached Exhibits Nos. 1 to 7, inclusive, carry their individual explanatory headings. Collectively, they show that of the total arrivals at Kansas City during 1936 of 38,787 cars, 70% (27,119 cars) originated in eleven states west of the Missouri River, traversed and served by the Union Pacific of which 29% (7,815 cars) were unloaded at Kansas City, and 71% (19,304 cars) were diverted beyond.

Of the 27,119 cars originating in the eleven states traversed and served by the Union Pacific, 42% (11,285 cars) arrived via Union Pacific, and 58% (15,834 cars) arrived via other lines.

Of the 11,285 cars arriving via Union Pacific, 31% (3,497 cars) were unloaded at Kansas City, and 69% (7,788 cars) were diverted beyond.

Exhibit No. 4 shows a total of 7,815 cars unloaded at Kansas City, of which 45% (3,497 cars) arrived via Union Pacific and 55% (4,318 cars) arrived via other lines.

During 1936, 44,976 cars were delivered by the Union Pacific to connecting lines at Kansas City for road haul movement beyond, of which 17% (7,788 cars) were diverted after arrival, and 83% (37,188 cars) moved on through billing.

Exhibit No. 5 is detailed analysis by commodities of the unloads at Kansas City, and shows that of the total of 13,969 cars unloaded, 25% (3,497 cars) arrived via Union Pacific, and 75% (10,472 cars) arrived via other lines. The total number of cars originating in "Western States" and unloaded at Kansas City was 7,815 cars, of which 45% (3,497 cars) arrived via Union Pacific and 55% (4,318 cars) arrived via other lines.

Exhibit No. 6 shows unloads by commodities at Kansas City originating in "Western States" traversed and served by the Union Pacific.

Exhibit No. 7 shows a total of 2,466 cars received by the Union Pacific from connecting lines at Kansas City; diverted off our own team track for road haul movement or shipped from storage, of which only 11 cars moved from Kansas City on our own billing, and 2,455 cars were received from connecting lines, either on through billing or diverted off connecting lines' tracks. This indicates that in addition to participating in the inbound movement to the extent of 25% (3,497 cars) of the total unloads from "all origins" (13,969 cars) and 45% (3,497 cars) of the unloads from "Western States" (7,815 cars) the Union Pacific also participated in the outbound movement to the extent of 9% (2,455 cars) of the total arrivals via other lines of 27,502 cars.

J. W. M.

K. C.—3-2-37

[fol. 668] (Copy) (T-I)

Omaha, April 5, 1937.

Mr. J. L. Haugh:

I have your letter of April 1st, raising the question as to whether, in view of the Stanley-Kirk agreement and in view of the contract between the Missouri Pacific, Union Pacific and City of Kansas City, Kansas, a team yard can be built and operated exclusively by the Union Pacific on the Public Levee property in Kansas City, Kansas.

My conclusion is that it cannot be built and operated exclusively by the Union Pacific without the consent of the Missouri Pacific. The contract with the Missouri Pacific, the execution of which is, I understand, being accomplished or will be accomplished, provides that the Drill Tracks will be owned jointly; also that

"Whenever the industrial development of the portion of the Public Levee lying east of the Minnesota Avenue Extension shall require any extension or extensions of the Drill Tracks and the City shall request the Railroads to extend the same, the Union Pacific shall, at the joint and equal expense of the Railroads, extend any or all of the Drill Tracks northerly, but not farther than the north boundary line of the Public Levee". (Section 7.)

Therefore, the contract contemplates the joint ownership of any extensions of the Drill Tracks up to the northerly boundary of the Levee, as well as of the original Drill Tracks.

Any extension we might make of a Drill Track beyond the Levee property would be an extension of a jointly owned track and, in my judgment, could not be made without the consent of both owners. While the contract specifically provides for joint rights with respect to industry tracks, it says nothing regarding team tracks. However, these team tracks would have to proceed from the jointly owned Drill Tracks or from an extension beyond the Levee property connecting with the jointly owned Drill Tracks. In my judgment, neither party can make connections with jointly owned tracks without the consent of the other party.

You ask me to construe this question in the light of the Stanley-Kirk agreement, as well as in the light of the agreement with the Missouri Pacific. I think we are justified in the position, and that we should necessarily take the position, that the Stanley-Kirk agreement is supplanted by the agreement between the Union Pacific, Missouri Pacific and City of Kansas City, Kansas. Therefore, the Stanley-Kirk agree-
[fol. 669] ment should not be relied upon to settle the question. If it be construed as an historical background, then I think the conclusion I have reached accords with the intent of the parties as expressed in that agreement. In the recitals, it is expressed that

"it is the desire of both of the said parties hereto to jointly secure certain rights, privileges and franchise over and across said levee property to enable said parties hereto to serve any industries which may hereafter be located upon said levee property and east of said Minnesota Avenue as proposed to be extended."

It is agreed in that agreement that if and when it is determined to build a track or tracks upon said levee (meaning east of Minnesota Avenue), the franchise is to be secured from the City, granting such rights jointly to the parties and that either party may for the purpose of serving industries being constructed or constructed upon the levee property construct such track or tracks as may be deemed necessary and the party so constructing such track or tracks is to grant to the other party the right to use the same upon being reimbursed for 50% of the cost, or upon a fair rental basis.

There is another provision in the agreement, the purpose of which is not clear to me, to the effect that in the event either of the parties construct a line or lines across such levee property extending to the north line of the property,

then either of the parties may connect up with such line or lines so constructed, if the same can be done either through the property owned by either party or through other connections. I mention this simply because this is in harmony with the spirit of the agreement, which seems to be that the service of industries on the levee property east of Minnesota Avenue is to be thoroughly a joint venture. However, as I have said, we can disregard the Stanley-Kirk agreement and base a conclusion on the contract with the Missouri Pacific and the City.

J. M. Souby. J. A. B. (in ink).

CC—Mr. F. W. Robinson.

[fol. 670] (Copy) (T-I)

Omaha—April 20, 1937.

File B-5704-2404-1073

Mr. F. L. Feakins, Chicago.
Mr. A. R. Malcolm, Detroit.
Mr. W. H. Benham, Cleveland.

Vice President J. L. Haugh writes me under date of April 17th as follows:

"I am planning to make the informative trip with Mr. G. E. Stanley, Mr. J. T. H. Armstrong and Mr. E. B. Fryer of the P. F. E., and Mr. C. P. Cahill. The party will assemble in Chicago, Wednesday morning, April 28, leaving that evening for Detroit, spending Thursday in Detroit, Friday in Cleveland and Saturday in Buffalo, returning to Omaha and Kansas City, Monday morning, May 3."

Mr. J. E. Davis, Assistant to Mr. Robinson, will also accompany the party.

It is proposed to visit the fruit auctions and the fruit auction terminals in the cities outlined, and I will appreciate it if you gentlemen will hold yourselves in readiness to see that this errand is accomplished.

As I understand it, the physical properties are to be visited with the view of:

(1) Observing the manner in which the property is served by trackage.

(2) Developing the manner in which: (a) Switching is done at the auction house; (b) Switching is done at the team tracks; (c) Switching is done at the dealers' warehouses; (d) Switching is done between points (a), (b) and (c); (e)

Diversions to points in the same city and to points beyond the city are accomplished.

(3) Ascertaining the charges for the various services outlined above.

(4) Determining the manner in which connecting lines makes deliveries to the line, or lines, serving the terminal and the charges therefor, both as to inbound and diverted traffic.

I have to suggest that you discuss this matter with the P. F. E. representative in your city with a view of securing as much of this data as possible, so that it may be assembled and ready for these gentlemen when they arrive. [fol. 671] I do not know whether it is available to you or not, but if you could secure information as to the owners of the terminal, the cost of it, and whether or not it can be said to be a paying proposition in and of itself, regardless of line haul charges accruing to the railroad on whose tracks it is located, it would be helpful.

I assume that other matters will be of interest to these gentlemen and your knowledge of the situation will be of very great assistance to them.

R. R. Mitchell.

[fol. 672] (Copy) (T-I)

C-20038
Omaha, April 29, 1937.

Mr. J. D. Haugh:

I have your letter of the 27th, relative to the team yard to be built and operated on public levee property north of Jersey Creek, Kansas City, Kansas.

I find nothing in the agreement between the City of Kansas City, the Union Pacific and the Trustee of the Missouri Pacific covering trackage for serving the public levee, of the complete execution of which, incident-ly, I have not been apprised, which precludes the Union Pacific from building these team tracks from a connection with its own exclusive track outside of levee property or from operating these team tracks exclusively when built. There is nothing in the contract which specifically or by necessary inference would give the Missouri Pacific any rights with respect to such tracks since the contract is limited to certain specified drill tracks and extensions thereof and industry spur tracks therefrom.

As I said to you in my letter of the 5th, I think we are justified in the position, and should take the position, that the Stanley-Kirk agreement is supplanted by the contract above mentioned. It occurs to me, however, that the Missouri Pacific may contend that this contract is not a complete carrying out of the Stanley-Kirk agreement and that by signing it with respect to certain specified drill tracks it did not intend to waive the understanding that service of all industries on the levee property east of Minnesota Avenue was intended to be joint, a construction of the Stanley-Kirk agreement which I think, as indicated in my letter of the 5th, is warranted. My judgment is that the Missouri Pacific will not be able legally to support this contention and I make this observation so that you may have in mind the Missouri Pacific has at least plausible grounds for a claim of right to participate in the ownership and use of all trackage on the levee east of Minnesota Avenue constructed for the service of industries in this location.

(Signed) J. M. Souby, J. A. B.

CC—Mr. F. W. Robinson.

[fol. 673] (Copy) (T-I)

	1936	Estimated Unloads or Diversions at Terminal	New Traffic	Estimated Additional U.P. Revenue $ Per Car	$ Total
1. Unloaded at Kansas City:					
(a) Arriving via U.P.	3,497	.....	.....	.....	(3)28,634
(b) Arriving via U.P.	.....	.....	300	120.00	36,000
(c) Arriving via other lines.	11,583	(1)6,950	.....	12.00	83,400
2. Diverted at Kansas City:					
(a) Arriving U.P. to other lines	7,788	(2) 799	.....	6.00	4,674
(b) Arriving U.P. to other lines	.....	.....	350	100.00	35,000
(c) Arriving other lines to U.P.	2,466	(2) 247	.....	6.00	1,482
(d) Arriving other lines to U.P.	.....	.....	50	100.00	5,000
(e) Arriving other lines to other lines	13,472	(2)1,347	.....	12.00	16,164
3. Estimated Increase in U.P. Through Traffic	.....	.....	300	100.00	30,000
	38,806		1,000		240,354

(1) 60% of total.
(2) 10% of total.
(d) Saving in absorption—

1,653 cars @	$12.00	$19,836
736 cars @	8.50	6,256
241 cars @	6.40	2,542
		$28,634

[fol. 674] (Copy) (T-I)

Kansas City, Missouri, July 16th, 1937.

A-2404-1501-1

Mr. J. E. Davis, Omaha:

Your file D-5705-2404-1047, June 26th, with reference to the matter of amending our switching tariff and descriptions of our industrial districts:

There is attached a map of the Fairfax Industrial District which has been discussed with Mr. Stanley, and it is proposed to amend Item 1145-C of Tariff 105-G, which will have the effect of changing the southern boundary of the Fairfax Industrial District from an extension of Freeman Avenue to an extension of Richmond Avenue, i. e., move it three blocks north. This eliminates all of the public levee from the Fairfax Industrial District.

Proposed Item 1151, reading:

"River-hail Industrial District

"River-Rail Industrial District comprises that portion of the Public Levee served by the Union Pacific Railroad east of Minnesota Avenue Extension, bounded on the north by the southern line of the Fairfax Industrial District, (see item No. 1145) on the east by the Missouri River, on the south by the Kaw River and on the west by Minnesota Avenue Extension."

will have the effect of defining the new River-Rail District.

Proposed Item 1152, a copy of which is attached, we believe will make effective the desired switching charges to and from industries and team and inspection tracks.

We believe we should refrain from making any reference whatever at this time to the auction house, or any other industry for that matter, simply allowing the $12.00 and $15.00 charges to apply to the auction house and any other unnamed industry; providing proper switching charges, such as the standard $6.40 charge applicable to specific industries, as the occasion may require.

Too, we believe we should refrain at this time from making any provision for charging $6.00 each way where a car goes to the auction and is returned under original load. This we believe can be corrected in due course, after the original $12.00 and $15.00 charges have been established.

It is our thought that the wording as shown above, i. e., "Industries, not otherwise specified, in River-Rail District, as described in Item 1151," will adequately cover the proposed auction house without at this time specifically naming it.

[fol. 675] You will note we have made reference in connection with the team track item to fresh or green fruits, vegetables, and melons. This for the reason that these proposes team tracks are going to be, generally speaking, more convenient to the business district of Kansas City, Kansas than any other team tracks. Hence, we believe we should restrict them to perishable traffic. There is a question just how far we should go in defining this.

While we are of the opinion the original publication should be of a general nature, we can appreciate that it might be pretty difficult to restrict provisions after once published.

(Signed) C. C. Weedin.

B CCC-Mr. G. E. Stanley.

[fol. 676] (Copy) (T-I)

Omaha, July 22, 1937.

Mr. F. W. Robinson:

In connection with the proposed perishable market that we are endeavoring to develop at Kansas City, it is important to secure the concurrence of the United States Department of Agriculture, and in doing that, we need to have a survey made of the local growing section as well as the local market.

Mr. G. E. Stanley asks that Mr. E. G. Reed come to Kansas City, look over the growing section and assemble data that can be turned over to Mayor McCombs and Willard Breidenthal, which can be used by the United States Department of Agriculture, who will conduct a survey there.

Mr. Breidenthal has arranged with the State Planning Board at Topeka to assemble data pertaining to the necessity of a perishable market.

In addition, we have advice from the Department of Agriculture that they will have a man in Kansas City, August 2, to study the situation. I have talked with Mr. Jeffers, and he is agreeable that Mr. Reed go to Kansas

City and help out on this survey, and join with the representative of the State Planning Board and with the Department of Agriculture in making the study complete.

Mr. Reed advises that he has appointments in Idaho on Monday and Tuesday of next week, and can be in Kansas City, on Thursday. I have talked with Mr. Reed and he [fol. 677] will be in Kansas City on that day.

I wanted to talk with you about this, but in your absence and in the absence of Mr. Mitchell, I took it up with Mr. Jeffers, who approved.

(Signed) J. L. Haugh.

cc.: Mr. W. M. Jeffers, Mr. G. E. Stanley.

[fol. 678] (Copy) (T-I)

Omaha, July 24, 1937.

File: Y-5704-2404-1047

Mr. F. W. Robinson:

A copy of Mr. J. L. Haugh's letter of July 22nd relative to the making of a survey of local vegetable-growing conditions adjacent to Kansas City, Kansas, in connection with the development of a perishable market at that place has been given to me.

In accordance therewith, and in keeping with my conversation with Mr. Haugh, of July 21st, I have started gathering data and information on this subject, and will plan to be in Kansas City on July 29th, remaining there, or returning, in order to meet the representative of the Department of Agriculture and the State Planning Commission, and remain with them to help in connection with their survey of the situation.

As Mr. Haugh indicated that this matter is exceedingly important at this time, we will develop it as rapidly as possible, making the reports as soon as the data and information is gathered. We will contact Mr. G. E. Stanley, working with him in connection with the project.

(Signed) E. G. Reed.

[fol. 679] (Copy) (T-I)

Written at Kansas City, Missouri.
(Typed at Omaha)
July 29, 1937.
File: Y-5704-2404-1407.

Mr. R. R. Mitchell:

Regarding activity in connection with the Kansas City, Kansas, produce terminal, the following carried out this day:

Conferred with Mr. Stanley and went over details of plans, layout, pictures, and general setup. With Mr. Stanley and Mr. Cahill drove over the site surrounding roads and streets of the Kansas City, Kansas, produce terminal district and adjacent Fairfax Industrial District.

Drove through and around the site and over the streets in the vicinity of the present Kansas City, Missouri, produce market and facilities, making general observations here also.

Attended meeting at Kansas City Club arranged by Mr. Willard J. Briedenthal, banker and civic leader of Kansas City, Kansas, and a member of the Kansas State Planning Board. Present, in addition to Mr. Stanley and Mr. Cahill, were: K. L. Backus, county agricultural agent, Kansas City, Kansas; Vance Rucker, agricultural economist, Kansas State Agricultural College, Manhattan; Wm. Arnstein, extension horticulturist in charge of commerce vegetable production, Manhattan; D. J. Teviotdale, consultant, Kansas State Planning Board; H. R. Miller, chief engineer, same board; Jay M. Bazor, research engineer, same board, all of Topeka. Preliminary information and plans were presented and discussed and a program mapped out to cooperate with a representative of the Bureau of Agricultural Economics, Mr. W. C. Crowe, of Washington, D. C., who will arrive here Monday, August 2nd, to make a survey and report on the feasibility of the Kansas project and probably a comparison with the Kansas City, Missouri, proposed new market. It is essential that Mr. Crowe's report be favorable to our project in order to secure the recommendation of the U. S. D. A. for a P. W. A. grant to aid in financing the construction.

In addition to Mr. Crowe and to assist in the survey and report, the Missouri College of Agriculture will send one man, the Kansas State Agricultural College will have Mr. Parsons of the rural economics department and Mr. Bazor of the Kansas State Planning Board. The writer will cooperate with and assist Mr. Crowe, planning to remain here throughout the week of August 2nd, or longer if necessary.

At Mr. Stanley's office met Mr. DeOreo, who is doing promotional work among the dealers and merchants and securing signatures on a petition favoring the Kansas facility. Mr. Wm. Fean (whom I know from produce trade association when in Columbus, Ohio), is now circulating and getting signatures of farmer-growers favoring our proposition. Did not see Mr. Fean today but expect to talk to him tomorrow. Mr. DeOreo now has 44 signatures on the dealer-merchant petition, the original of which I have, and will [fol. 680] secure 16 more signatures in the next two or three days. These are all the larger and leading carlot dealers and merchants with a few exceptions. These excepted concerns have indicated a favorable attitude but for business, political, or personal reasons cannot at this time sign.

The matter of breaking publicity in the Kansas City, Missouri, and the Kansas City, Kansas, papers was discussed in detail with Messrs. Stanley and Young (the latter handling the special publicity features with all newspapers) and it was decided to give news stories and pictures to all three papers for Sunday issues and a more detailed story to the Kansas City Packer for use next Saturday, August 7th.

Tomorrow the writer will contact the agricultural commissioner of the Kansas City Chamber of Commerce, the county agricultural agent in Kansas City, Missouri, Mr. Corbin, the market news service reporter for the U. S. D. A., and Mr. Gurley of the Kansas City Packer publication. In the afternoon meeting has been arranged with Mr. Cahill and trainmaster Higgins to go over details of terminal operations and comparisons in order that the writer may present this information with other material to Mr. Crowe next week.

It will be advisable and essential to gather some more information from the local U. S. D. A. market service office and possibly direct from some of the produce dealers. This may require a part of Saturday. It is planned to be in

Omaha office either Saturday morning or Sunday morning and to return to Kansas City Monday morning.

Further reports as matter progresses next week.

(Signed) Earle G. Reed.

[fol. 681] Union Pacific Railroad Company

Telegram

1937 Jul 31 PM 1 05

kc jul 31 37 11 55A
JED RRM OMA

File 5705-2404-1047 progressing satisfactorily. Sentiment becoming more favorable. City authorities making announcement progress detailed plans in Sunday papers including Star Journal and Kansas tomorrow. Should be available news stands in am. Preliminary plans and discussions been had with interested city state authorities who will cooperate with representative from Secretary Wallaces Washington office during next week we are hearing very little adverse talk. Will report from time to time on developments. A 180.

Orig JED Cy RRM CCW

[fol. 682] (Copy) (T-I)

Written at Kansas City, Mo.
August 3, 1937.
(Typed at Omaha Office).
K. C. Produce Terminal File.

Mr. R. R. Mitchell:

Considerable progress is apparent in connection with the Kansas produce terminal. Monday interviewed Mr. Lewis Hawkins, agricultural commissioner, Kansas City Chamber of Commerce, who advised that neither he nor any of the other officers were doing anything on the produce terminal matter and up to present their intention was to stay out.

W. C. Crow, U. S. D. A. Bureau of Agricultural Economics, Washington, D. C., Parsons from Kansas State Agricultural College, Haig from Missouri Agricultural College, and Besore from Kansas State Planning Board all arrived here yesterday morning. Met with them for about two hours, discussing the situation, presenting some informa-

tion and facts, and obtaining from them other indications of information they desired and plans made for their further study.

Have secured data and information, compiling same, with maps and pictures, the information being typed in Mr. Weedin's office to be presented to this committee tomorrow. We will all go to the present market at 3:30 a.m. tomorrow morning, remaining there until about 8:30 to observe conditions and secure information and pictures. Following that I am taking the committee to the Kansas City, Kansas, produce terminal site and then over the Fairfax district, visiting the airport and industries. Will show them the cold water well and cooling system at Freuhoff Trailer plant which will be an indication of the cool water possibilities at the produce terminal site.

This evening with William Fean drove out to Courtney on the Santa Fe in Missouri bottoms to interview one of the leaders and largest vegetable growers of the Missouri side, a Mr. F. B. Larkin (270 acres). He states Missouri growers are nearly 100 percent for the Kansas new terminal. The Kansas side farmers are, of course, favorable.

Thursday more farmers will be visited and Thursday night the farmers and growers meeting at Shawnee (see handbill attached) will be attended. Friday data and information will be completed for a report and expect to be in office Saturday. Mr. Crow expects to complete so he can leave here Friday, making his report after return to Washington.

It has been suggested by members of the committee that the officials and leaders of the two cities get together for a conference on Thursday and try to compose differences and decide on one site. This hardly seems possible, although it might be done.

(Signed) Earle G. Reed.

[fol. 683] (Copy) T-I

Omaha, Nebraska,
August 7, 1937,
Y-5704-2404-1047.

Mr. R. R. Mitchell:

In connection with the Kansas City, Kansas, Produce Terminal, at the instance and with the assistance of Mr. G. E.

Stanley, the following were interviewed, some more than once; others we worked with and assisted in connection with the making of a market survey and the gathering of information among the farmer-producers, the dealers, commission men, and produce trade on the present Kansas City market:

W. C. Crow, Market Research Specialist, Bureau of Agricultural Economics, Washington, D. C.
Prof. Parsons, Marketing Specialist, Kansas Experiment Station, Manhattan.
Dr. Haigh, Marketing Research, Missouri Experiment Station, Columbia.

The three men named above formed the committee designated by the U. S. D. A. and the two states to make the produce market survey.

Jay M. Besore, Research Engineer, Kansas State Planning Board, was present and also tendered his assistance to the committee.

R. E. Corbin, local representative, U. S. D. A., Market Reportint Service.

Lewis Hawkins, Agricultural Commissioner, Kansas City Chamber of Commerce.

Wm. Fean, produce merchant and dealer of Columbus, Ohio, and promoter for the levee terminal market, who is working largely with the farmer-growers.

L. C. Breidenthal, banker; Mr. Willets, Secretary of the Kansas City, Kansas, Chamber of Commerce; Mr. Skinner, city attorney of Kansas City, Kansas; Mr. Kimball Backus, county agricultural agent, Wyandotte county (office in Kansas City, Kansas); J. O. Young, publicity representative for the levee terminal.

During the week two trips were made to nearby producing areas in both Missouri and Kansas to interview growers. A meeting of growers was held at Shawnee school house; about 25 actual growers, several of the largest in the area, attended. Meeting was promoted and advertised by Mr. Fean, not using his name. Mr. Backus, county agent of Kansas City, Kansas, acted as chairman and called on various growers for expressions. All who spoke (about seven or eight) deplored present conditions, severely criticized the Kansas City, Missouri, city administration and politicians, several stating that it was certain that unless the

levee market was constructed there would be no improvement at the old market and therefore it was to the interest of every local grower to stand for, support, and pledge to use the new levee market if built.

[fol. 684] Messrs. Crow, Parsons, and Haigh attended the meeting but were not introduced nor did they divulge their identity. Mr. Young, the publicity man, was there with two court reporters who took down everything said. That seemed to be unnecessary and immediately aroused the suspicions of some of the farmers and restricted to some extent what they might have expressed. One grower said that he would not make any remarks because he did not want to have what he said used against him later.

On Wednesday I accompanied Messrs. Crow, Parsons, and Haigh on a visit to the present market at 3:30 a.m. We separated, each questioning farmers, dealers, commission men, hucksters, peddlers, and large brokers. We later compared notes. On Friday a survey form which was mimeographed (copy attached) was used by the committee to obtain information. Every commission man, dealer, merchant, or broker was approached. Some refused to answer questions, fearful of reprisal by city politicians to whom they owe their locations and to whom they pay tribute.

On Thursday I introduced Mr. Stanley to these men and together we took them to new site, lunched at the airport, showed them Fairfax district and particularly the cold water wells at Phillips Petroleum and at Fruehauf Trailer plant where it is used for air-conditioning.

On Friday I met with this committee individually and together. Arranged for them to confer with Mr. Alonzo Gentry, the architect for the levee terminal. Also conferred and secured additional information from Mr. Backus, county agricultural agent.

Mr. Parsons of Kansas is of course strongly in favor of the proposed levee terminal. Mr. Haigh of Missouri, while admitting the deplorable conditions on the old market and the many advantages of the new site, retains the attitude that any produce market should be in Kansas City, Missouri, and that the only way to compose differences and avoid a bad situation and inter-city fight is to select some other location entirely different, just so it is in Kansas City, Missouri, and build a new terminal thereon. He has suggested two other places, one on the Missouri bottom near 2nd and Grand and one near the passenger depot. Mr.

Crow requested that he be not quoted but indicated that while the levee site was not as desirable as it might be, it was by far the best location he had seen in or near either city and that it was probably as good as any location now in use in any of the larger cities where new food terminals had been built recently. Mr. Crow is convinced that there will be contest which may develop into a rather bitter political and inter-city fight if the levee market program goes forward. He further stated that regardless of his report and whether or not he indicated favorable attitude and approval of the levee site, that his report and recommendations might be entirely ignored due to political influences and pressure and the arguments of governmental expediency.

County agricultural agent Backus stated that farmers of the territory are generally opposed to the present market and to a rebuilding of the market at the present location because of the surrounding moral conditions, slums, tenements, constant thievery from farmers' truck, which is ignored by police, even the police taking a toll from the [fol. 685] farmers in money or produce, the congestion in traffic, and the all-around unsatisfactory market conditions.

The attached exhibits present in tables, maps, pictures, and news articles information in addition to the above on which the summary of the situation is based. Copies of the tables, maps, figures, pictures, and news articles were furnished to Messrs. Crow, Parsons, and Haig. A portion of the material was also furnished to Mr. Besore.

Exhibits of Information and Data

No. 1. Outline of produce terminal survey furnished to the committee by E. G. R.

No. 2. Outline for analysis of markets furnished to committee by Mr. Jay Besore.

No. 3. Survey form used to obtain information from dealers, commission firms, and brokers.

No. 4. Correspondence relative to making a market survey.

No. 5. Figures and information on local production and producing area.

No. 6. Production figures for states of Kansas, Nebraska, Missouri with indications of the principal vegetable crops grown, principal fruit crops and poultry and eggs.

No. 7. Railroad data, arrivals, unloads, loads, diversions.

No. 8. Railroad and switching information, routes, distances, time, with comparisons of old K. C. S. produce yard and proposed levee market.

No. 9. Letter of information from Mayor of Kansas City, Kansas, to Mr. W. C. Crow, concerning the proposed levee market.

No. 10. Letter from Inland Waterways Corporation about possible barge line refrigeration.

No. 11. Petition (actual copy with names) circulated on the present market.

No. 12. Petition (copy) being circulated among farmer-growers. (At the Thursday meeting 5 petitions containing 105 names were handed in. It is estimated other petitions out would have another 100 or more names.)

No. 13. Hand bill announcing farmers meeting.

[fol. 686] Exhibits of maps, drawings, pictures

A. Map of Greater Kansas City area with marked highways and main routes to both markets.

B. Map of Kansas City and surrounding territory showing fruit and vegetable producing areas, locations of both markets sites, and main highways.

C. Blue print map of freight interchange at Kansas City.

D. Architect's drawing and conception of the levee market when completed.

E. Airplane perspective picture of levee market site.

F. Airplane view of present market and new levee site.

G. Airplane view of present site (enclosed in red line) proposed addition (cross lined in red), and proposed new team track arrangements by K. C. S. Ry. indicated in red line.

H. Outline form for roadside market survey being used in Wyandotte county the week of August 9th.

I, J, K, L, M, and N. Newspaper tear sheets of publicity in both Kansas City, Missouri and Kansas papers.

From the summary attached the general conclusions may be obtained.

Our Mr. Stanley and his associates are certainly handling the matter in a most capable, careful, and complete manner. Mr. Stanley has every detail, fact, and minute information at his command. It appears that the project is to be built on the levee regardless of a federal grant or of any opposition or competitive action by Kansas City, Missouri. A

very unfavorable situation seems sure to result but it also appears to this writer that Mr. Stanley, Mr. Briedenthal, and Mayor McCombs of Kansas City are most capable and can probably cope with and meet any situation that may develop politically, financially or otherwise. It should be desired and every effort possible made to avoid a split market condition.

(Initialed) E. G. R.
Earle G. Reed.

CC—Mr. G. E. Stanley, Kansas City.

[fol. 687] (Copy)

Summarizing the Produce Terminal and Market Situation in Greater Kansas City

1. The need for an adequate and suitable produce terminal and market in the greater Kansas City area is very evident. Present facilities in Kansas City, Missouri, are totally inadequate, insufficient, inefficient, very unsanitary, poorly located, and costly to operate. It appears to be a large and exceedingly costly task to change, enlarge and correct the present market conditions. Farmer-growers and "the trade" have so expressed themselves emphatically and decisively.

2. The market should include the following facilities for handling both inbound and outbound carload business: (a) it should be so arranged that buyers and dealers can buy, pack, grade, and load out, as well as receive and distribute in the one location; (b) ample inspection and holding tracks from which diversions can be efficiently made and quickly handled; (c) ample facilities for accom-odation of large trucks handling produce both in and out; (d) housing, display, and basement storage room for dealers, commission men, and carlot distributors; (e) office space and facilities for brokers and jobbers; (f) an auction market and display warehouse; (g) an open or umbrella shed for a farmers' and hucksters' wholesale market on one side of which the farmers can stand his truck and on the opposite side a space where the retailer, grocer, peddler, or buyer can place his truck or vehicle and take delivery from the farmer-grower; (h) a cold and cool storage warehouse of ample capacity to handle the ordinary and average needs of the local producers, the local market storage requirements and holding storage for later out-bound shipments.

3. The present market site in Kansas City, Missouri, cannot be corrected, enlarged, and improved satisfactorily to serve the city and tributary sections without excessive cost. This would have to be borne by the farmers, the trade, and/or the taxpayers. A national distributing center or market cannot be developed without ample room and adequate facilities.

4. The market site on the levee is suitable, ample in size, and is an advantageous location from the standpoint of both rail and highway traffic, freedom from any congested city street areas, advantageous handling of railroad traffic, freedom from slum and tenement areas, freedom from unsanitary conditions, insect pests and rodents suc- as now infest the old market, availability of water transport if ever needed or desirable, and offers all the features necessary to develop a satisfactory produce market center. It may not be ideal from all standpoints but is easily the best available site in the greater Kansas City area.

5. Any new market center to be successful and serve the complete needs of producer and consumer must include complete facilities for farmer-growers, hucksters and peddlers, highway itinerant truckers and regular transport truck organizations, dealers, commission firms and small lot jobbers, brokers and jobbers in carlots, and buyers, shippers, packers, and processors of outbound carlots.

[fol. 688] 6. The new proposed levee site is 2½ miles, five minutes (by exact time and measure) from the old and present market site and is easily accessible to the old site if a retail market were to be established there on an enlarged and improved basis.

7. Ample power, light and water can be supplied by the municipally-owned plants in Kansas City, Kansas, at lower rates than now pertain in Kansas City, Missouri.

8. An excellent and apparently very large supply of well water is available at depth of 70 feet to 80 feet, having an average temperature of 56°-58° F. Such a supply of water is almost invaluable for cooling, air-conditioning, refrigeration, washing, and other needed purposes.

9. There is practically no retail business being done at the Old market now. The public will not go there to buy under prevailing conditions. Retail selling would be almost certain to follow in the new location unless prohibited.

10. Because of the long time, established location, and the fact that a number of dealers, commission merchants, and market operators own buildings and properties adjacent to or near the present market, it may be difficult to secure a unified approval of a new location and a willingness to move. This fact, coupled with the interests of other adjacent property owners, political advantages and graft, the receivers of which will offer strong resistance, may result in a split market. This would be highly undesirable, unsatisfactory, and costly, not only to the participants, renters, and the trade generally, but the burden of cost and the disadvantages would fall largely on the consumer, the local producer, and possibly on the tax payer.

11. Divided markets would prove costly to the railroads serving both as volume would be reduced, unit costs increased, demands for and furnishing of extra services greatly increased due to competitive activities.

12. Enlarging the present market area and facilities apparently cannot be done except at an excessively high cost and efforts should be directed to maintaining and improving the present market as a retail center only, with the wholesale and carlot market moving to the new location on the levee.

13. Any market construction program on the levee location should proceed only as it may seem necessary to adequately serve and accom-odate the trade that will move there, but to be in position to increase, add to and enlarge the area, buildings, and other facilities as may be required from time to time.

14. The establishment of a market center of the type proposed would probably result in a decrease in the total carloads of produce unloaded and consequently in the number of carloads delivered for unloading by the U. P. R. R. during the first year after completion and possibly for several years after. The greatly stimulated and increased volume of local farmer production and the greatly increased and stimulated movement of produce by truck into the mar- [fol. 689] ket from greater distances and producing areas would tend to replace some of the produce now moving in by rail. Improved facilities would mean increased local production and marketing and increased long distance trucking.

15. To offset this the establishment of a real distributing center should result in more carloads handled at the market for diversion. There should be a very decided increase in the number of carloads assembled, loaded and shipped out, in which the U. P. R. R. would participate to some extent. Most of the produce would be loaded for eastern movement but a portion would undoubtedly move west and north. Some of this would be in competition, however, with products from our own distant producing territory. Within three to five years the net result should be an increase in both inbound and outbound road haul carloads for our line.

16. With the establishment of a large terminal and distributing market the production and shipments of fruits and vegetables should be stimulated and increased, consequently carload movement increased from those better producing areas in all our western states to Kansas City.

17. The net result of the construction of the levee market by the city of Kansas City, Kansas, and the team tracks and necessary yards and switching facilities by the U. P. R. R. would be some increase in road haul revenues, a large increase in switching revenues and a decrease in the switching cost ratio in the Fairfax district because of handling greater or nearer maximum volume.

18. Indirect and future benefits of the construction of the food terminal would be the probable attraction of food processing and allied food industries to the adjoining Fairfax industrial district. The added freight traffic due to location of industries might in a period of ten years or more develop to a point where the railroad revenues from these industries connected or allied with the food business would greatly exceed those of the perishable products handled in and out of the market. In addition the leasing of factory sites would add to revenues.

19. The apparent danger in the present situation is that of having a "split market" with a division of retail, wholesale, jobbing, and brokerage business between the two markets. Consequent confusion to the trade, the railroads, and the industry generally would result. There seems to be a good reason to be apprehension as to this situation; however, generally speaking "the Trade" will move, as evidenced by experience at Cleveland, Buffalo, and Albany, N. Y. They will go where the larger volume is handled,

the costs are lower, and the facilities are better, or if they are paid for going. Information developed at Buffalo indicates that the railroads involved in the produce terminal actually bought unwanted and unneeded properties of dealers and commission merchants in order to get them to go to the new location. The producer trade will go where there are buyers, less cost, more convenience, farmer control or farmer management of the market, and the advantages of buyers who will assemble and ship out carloads of local produce. The buyers for the retail trade, peddlers and merchants will go where the products are offered and especially where the convenience is greater, the time and [fol. 690] cost of buying, loading and handling is less, and where the sanitary and moral conditions are satisfactory.

20. The public generally concerns itself very little about the location of a produce market as long as a new location is not near resident property that would be depreciated thereby or provided they are not called upon to vote large and excessive bond issues for produce market construction. The present public attitude in Kansas City is one of apathetic interest.

21. The present estimated value of property and buildings surrounding the old market is $21,000,000.00. If the market is moved to another location city officials estimate the value of this property will depreciate to $15,000,000.00 and possibly to $10,000,000.00, hence the fight of property owners and politicians to hold the market at its present location is very real and evident.

If Kansas City, Kansas and the Union Pacific are to proceed with the food terminal plans it should be anticipated that: (this is based on information developed during the survey by the government and state representatives and the writer)—

(a) There will be a determined and organized fight on the part of Kansas City, Missouri, city officials, politicians, property owners, and some of the produce trade to prevent any change.

(b) That counter plans and improvements for the present location will be made and carried out (no action can be taken for 1½ years on the city improvement bonds fund, according to information) in order to offset and prevent a

food terminal in Kansas City, Kansas, from operating or become- successful.

(c) That the city of Kansas City, Missouri, would probably go to the extreme of calling a special election to vote additional improvement bonds to enlarge and rebuild the present market. Calling an election for this purpose is tantamount to success in Kansas City and it would be known beforehand that the bond issue would be approved by the vote count. (One of the parties interviewed by U. S. D. A. representative stated that they would see that the bond election carried).

(d) That Kansas City, Missouri, would go to considerable extremes to retain the market, even to giving free space rent to some of the larger dealers and handlers which seems entirely possible from the information gathered. Otherwise it is largely a threat from which certain unscrup-lous politicians and "high binders" expect to profit through being "bought out" by the city of Kansas City, Kansas, or by the U. P. R. R. It was even indicated by one party on the present market that if the U. P. R. R. wanted that market on the other side they could well afford to and would pay plenty to the right parties to get it.

[fol. 691] (e) If the Kansas City, Kansas, market plan should be abandoned or not carried out, Kansas City, Missouri, would do nothing at the present time to improve or enlarge the present deplorable market conditions. The attitude of Kansas City, Missouri, seems to be one of doing nothing to improve the present conditions unless someone (Kansas City, Kansas) does something to take the market away. Then the fight would be carried to any extreme necessary.

If the levee and proposed food terminal is decided upon and the U. P. R. R. enters the arrangement and program it would seem to this writer that the railroad should be prepared for a long, drawn-out political and business fight, with reprisals and retaliation of all kinds being resorted to by the city, the property owners, and politicians. The railroad should be prepared to and might have to buy unwanted properties in order to make certain and secure the investment in the new food terminal tracks and facilities. Our executives should know and recognize all these facts and the possible, even probable, conditions and develop-

ments that will take place. In order to insure the success of a food or produce terminal market it is necessary to have at least 55 per cent of the trade in numbers locate and 75 per cent of volume handled to be at the new location. Experiences of produce terminal markets in Detroit and Buffalo—split markets—are good examples of an undesirable and costly situation.

(Unsigned.)

[fol. 692] Union Pacific Railroad Company

Kansas City, Missouri, August 12, 1937.

Personal.

Dear Rolla:

It is apparent that a new perishable terminal will be constructed at Kansas City on some railroad. The public levee is the only property under consideration that could be served by the Union Pacific, so we have good reason to favor that property. The opportunity that exists at this time will not last very long. When the location is fixed it will serve for several generations as a large investment must be made.

You know Kansas City and will appreciate the fact that generally when it comes to a competitive matter between Kansas City, Missouri and Kansas City, Kansas, the Kansas side gets the little end of the stick. However, Kansas City, Missouri does not own a fit place for the wholesale market and the public levee is ideal in every respect. In addition to the public ownership of the land, Kansas City, Kansas has armed itself with all necessary legislation and is really ready to go. All of the laws were passed before anyone outside of our organization knew what was going on. You will be surprised to know how friendly a majority of merchants and dealers are on the market here to the proposed location on our line. We have handled the matter in such a way that no one is aroused or antagonistic to us in any way.

If we locate the terminal on our line, it will require a rather large investment in team and inspection tracks, also the payment of a substantial sum for rent of city owned land. Neither of the amounts have been ascertained.

Before the matter is presented at Omaha for definite consideration, I will appreciate the opportunity of going over

the ground with you at Kansas City and personally familiarizing you with what we are trying to do. I feel that this deal would produce us a good volume of business and in addition to that, the location of this terminal would add to the prestige of the Union Pacific here and greatly advantage the further development of the Fairfax Industrial District.

If you are agreeable to the suggestion, please indicate a date when you can spend at least one day in Kansas City. As mentioned above, the opportunity will not last very long and if we do anything, it will be necessary to take early action.

A perspective of the project proposed, is attached.

Very truly yours, (Signed) G. E. Stanley.

Mr. R. R. Mitchell, Freight Traffic Manager, Omaha, Nebraska.

[fol. 693] (Copy) (T-I)

Omaha, August 18, 1937.

Mr. F. W. Robinson:

Am returning copy of Mr. E. G. Reed's report on the perishable market at Kansas City.

I have the following notations concerning it:

Page 5, No. 12 of his letter about petitions being circulated among farmer-growers: This petition now has over 400 names.

Page 2 of the report of conclusions, item No. 5 speaks of facilities for highway itinerant truckers. This project will be on city land, controlled by the market association composed of dealers and jobbers. The city, by ordinance, and the dealers and jobbers, by regulations, will prohibit itinerant truckers, and will control so as to avoid competition to local farmers and dealers.

Page 3, item 8: The very low temperature of the available water will also permit low cost ice-making.

Page 4, item 13: Mr. Crow of the U. S. Department of Agriculture reports that 60 dealers in the present market are reliable and acceptable. Adding others known to be interested and considering that some of the dealers will require more than one unit, will fully absorb the 96 units that are proposed in the new market site.

Page 4, item 14, regarding development of close-in production that will be stimulated by the availability of this market. This production will provide some road-haul business; for instance, Mr. Larkin, a local grower, last year shipped 30 carloads of horse-radish to San Francisco. This moved via the Santa Fe. With the market on our tracks, we should get that movement. There is other produce also that will move out from this district. The proposed new market should develop at least as much new rail business from the local territory as it might displace. In the same item, Mr. Reed speaks of long-distance trucking. This will be so restricted as to be virtually prohibited, because it is of interest to the dealers as well as to the local producers to so restrict. That matter is wholly in control of the city and the market association.

[fol. 694] Page 6, item 21: Mr. Reed speaks of a decrease in the value of property surrounding the present market in Kansas City, Missouri. The city intends to build a retail market there and clean up the present messy, deplorable situation. That will have the effect of substantially increasing property values instead of decreasing them.

Page 7, item (a): Mr. Reed fears an organized fight between the officials of the two cities. This can and will be avoided. That is a condition precedent to the location of the market on the public levee on the Kansas side.

Page 7, item (b): Judge McElroy, City Manager of Kansas City, Missouri, states that a retail market only will be built on the Missouri side. The architects of each, the Missouri market and the Kansas market are friends of the city administration, and are cooperating toward the end of avoiding any duplication of facilities.

Page 7, item (c): Mr. Reed fears a special election in Kansas City, Mo. to vote additional improvement bonds to enlarge and rebuild the present market. The city has available $500,000, which is sufficient to build a retail market, and will in due course proceed with that. The city administration has all the election troubles that it wants right now. However, the cooperation being sought and developed will obviate this entirely.

(Signed) J. L. Haugh.

cc—Mr. W. M. Jeffers.

[fol. 695] (Copy) (T-I)

Omaha, Nebraska, August 23, 1937.

File: Y-5704-2404-1047.

Mr. F. W. Robinson:

Returning your file. Noted Mr. Haugh's letter of August 18th and further comments are made herewith.

First let me advise, and I believe it is understood, that in my report of August 7th I endeavored to present all the facts and information secured in the time spent there, as well as some of the remarks and indications made by persons on the present market or connected with it. The unfavorable as well as the favorable conditions and possibilities should be known so that situations can better be handled if and when they arise.

The Kansas levee site presents so many favorable aspects and conditions that some difficulties or obstacles that must be met and overcome may be considered too lightly. In this I am in no way minimizing the ability, the knowledge, and the splendid grasp of the whole situation which is held by Mr. Stanley. From my meager knowledge and information I question just who and how much trust can be placed in some of the politicians or others who claim control.

Page 2 item 5: Should Kansas City, Kansas, restrict or forbid by ordinance or market rule itinerant truckers from using that market and Kansas City, Missouri, continues as an open market (as it is now) and if St. Joseph, Jefferson City, Topeka, Omaha, or other cities have markets open to all truckers regardless, the levee market may be placed in an unfavorable position. The experience of markets that have tried such restrictions (I understand a few have) might be very enlightening.

Page 4, item 13: There were, according to count of Mr. Crow and checked by the writer as near as possible, about 78 or 79 dealers and commission firms located and operating on the present market. While 60 are considered by Mr. Crow as reliable and acceptable it would therefore seem reasonable to determine beyond a doubt whether 35 or 40 of these firms or individuals would move to the new market location and if they would represent at least 75 to 80 per cent of the volume of the trade. If a majority of the trade moves to a new location the others will usually gravi-

tate there later. In connection with the situation it should be borne in mind that A. Reich & Sons, now operating in the Rock Island facilities, handle approximately one-fifth of all the produce unloaded in Kansas City. Their attitude toward a change in location would be exceedingly helpful if it were favorable.

Page 4, Item 14: Mr. Haugh's comment is covered in my item 15; however, I cannot see how we could expect much from a large and independent shipper like Mr. Larkin. It hardly seems possible that Mr. Larkin would haul 30 carloads (or even a part of that amount) of horse radish 10 or 12 miles to the levee market for packing and loading on cars when he now loads it within ½ mile of his farm and states he is very satisfied with his present service. Mr. [fol. 696] Larkin is also a big grower and shipper of potatoes and tomatoes, practically all loaded at Courtney. I rather question if he would put much of his produce through the levee market for outbound movement. Mr. Larkin did not indicate to the writer nor to Mr. Crow that he would change his present practice but did indicate he would use the new terminal market to some extent.

In the matter of trucking in from longer distances, it is assumed that trucking from producing areas in Kansas, Missouri, Nebraska, Oklahoma, and Arkansas by growers themselves would not be restricted even if they came from distances of 200 miles or more. The morning the market was visited I talked to two persons claiming to be growers who trucked melons in from Oklahoma. To place restrictions on grower-truckers would merely send them to other markets.

Page 6, item 21: This is based largely on statements made to Mr. Crow, answers to his questionnaire, and a few expressions direct from dealers. Such an argument would undoubtedly be used by some property owners in opposing any change.

Page 7, item 21, (a), (b), and (c), are apparently cleared although statements made to the federal and state investigators at the time of the market survey were as indicated in the report. If an agreement has been or can be consum-ated between officials of both cities relative to what each will do and will not do, then the levee market on the Kansas side should have every reason to be successful and become a large sales and distributing point.

A very decided farmer interest indicates increased local production, when and if a new market is completed. Local production will replace shipped-in products to some extent.

It appears to this writer that the largest gain at first will come from reductions in present switching charges collected; secondly, more cars should be handled for diversion as the market develops; and third, other industries attracted to the location, especially industries allied with produce of all kinds, should increase road haul and switching revenues.

(Signed) Earle G. Reed.

[fol. 697] (Copy) (T-I)

At Kansas City, February 23, 1938.

Mr. F. W. Robinson:

In connection with the proposed new Kansas City Food Terminal we need, at Kansas City, someone who has a complete knowledge of a modern, up-to-date food terminal somewhere near the description of the one that is to be built at Kansas City. This man will need to be available for advice with Mr. Stanley, the Mayor, City Commissioners, City Attorney, Citizens' Advisory Committee and with the committee of merchants, particularly in connection with the formation of a merchants' association and with the development of rules and regulations to govern the operation of the market.

I had in mind Mr. J. C. Gannon, PFE Agent at the Northern Ohio Food Terminal at Cleveland, Ohio. When the committee from Kansas City, Kansas, visited Cleveland, Mr. Gannon took them around. They became acquainted with him and were favorably impressed with him. Mr. Armstrong advises that he is a good man, and he is willing to transfer him to Kansas City temporarily, until we can get the new market well under way.

I wrote Mr. Armstrong, copy of which letter is attached. Mr. Armstrong, in turn, wrote Mr. Giddings. Mr. Giddings replied to him, and Mr. Armstrong has favored me with a copy of Mr. Giddings' letter, which I also attach.

Will appreciate very much if you will review this and then if you will write Mr. Saunders asking his concurrence and then if both of you will advise Mr. Giddings, so that he can advise Mr. Armstrong to make the necessary arrangements regarding what we want of Mr. Gannon.

The establishment of the new perishable market at Kansas City is fundamentally different from the one at New York. At New York, the terminal was on foreign lines, and the PFE could not take any position one way or another. At Kansas City, the terminal is to be established on an owner's line, and it should influence business, and we expect it to improve traffic for the owning railroads, as well as improve the use of PFE cars.

It will take a small terminal arrangement from the Kansas City Southern, but that railroad is not a large perishable handling line.

We do expect that it will influence business against the Missouri Pacific and probably against the Santa Fe, and naturally we expect some concern on the part of those two railroads about the establishment of the terminal, but those two railroads are competitive railroads with the owning [fol. 698] lines, and we have no compunction to securing competitive business.

(Signed) J. L. Haugh.

[fol. 699] (Copy) (T-I)

Union Pacific Railroad Company

Telegram

1938 Mar 14. PM 1 45.

191 3 GNR.

KC Mar 14 38 110PM.

G E Stanley Sun Valley JLH RRM OMA

Talked DeOreo and Fean this mroning. DeOreo fimrly convinced committee will favorably report on trip and are ready go ahead since my reaction is no changes in plant are required, we taking no further action pending your return. Am convinced all were favorably impressed with advantage and desirability preceeding proposed arrangements. Am also convinced announcement Kansas City Times with photograph proposed North Side Market was deliverately promoted by certain North Side interests purpose embarrassing Kansas City Kans program. Naturally, it has stirred up some excitement, but dont believe is being taken very seriously. A 27.

ORIG GES CY JLH RRM. CCW.

[fol. 700] (Copy) (T-I)

Kansas City, Missouri, March 17, 1938.

File Y-5704-2404-1047.

Mr. Earle G. Reed:

Replying to your letter of March 12th, about article in Kansas City Packer regarding new produce terminal at Kansas City.

Mr. Haugh is very familiar with this whole picture and I believe it would be preferable for you to get your suggestions from him.

Attached you will find some prints that are being circulated among the produce men at Kansas City. Recent inspection trip of Kansas City Produce merchants has put this deal in good shape and I am very hopeful that we can successfully conclude it in a short time.

(Signed) G. E. Stanley.

[fol. 701] (Copy) (T-I)

Omaha, March 24, 1938.

File: H-5704-2404-1047

Mr. R. R. Mitchell:

Mr. J. L. Haugh asked that I attend a dinner at Kansas City Tuesday evening which was being given for the produce trade in the interest of the new produce terminal.

There were about 85 persons present, including the Mayor and other city dignitaries of Kansas City, Kansas. Messrs. Bill Garfitt, Jim Armstrong and Elmer Walters were also there.

During the day Mr. Weedin and I called on the principal fruit and vegetable jobbers and brokers. Mr. Luman Cochrane will have about 300 cars of potatoes from the Edison-Shafter District and said he would route all of the Edison Traffic our way, but it may be that in the beginning of the movement from Shafter proper it will be necessary to start the business via Santa Fe long haul, but as soon as it begins to move in volume Mr. Cochrane said he would route via Utah Junction and our line.

(Signed) E. J. Hanson.

[fol. 702] (Copy) (T-I)

Kansas City, Missouri,
April 4, 1938.

Mr. R. R. Mitchell: File: A-2404-1501-1

Reporting on Food Terminal Developments:

Things are moving pretty rapidly, and funds are said to be available. An immediate problem in hand is to secure enough leases from wholesale fruit dealers to show that they will occupy the new units when completed. Am handing you a copy of the lease. These are being signed secretly by the dealers, and 12 units have been signed for by 5 of the principal dealers. The reason for the secrecy is that no one wants to jeopardize his position on the Missouri side pending definite arrangements for building the market.

I gave you copies of reports on the trip with the Committee to Chicago, Cleveland, Buffalo and St. Louis. Mr. Hanson stated he reported to you briefly on the entertainment and meeting of city officials and wholesale dealers in the Fairfax Administration Building on March 22nd, at which much interest was shown.

Another dinner-meeting was had for 325 truck growers in the surrounding territory Saturday night the 26th, which was attended by city authorities including the Mayor, and they indicated wholehearted support.

Mr. Haugh asked that I join him and Mr. Davis in Omaha Monday the 28th, for working out switching rates and arrangements for the new terminal.

Mr. Haugh is here again today and things are moving rather rapidly, however, changes in plans are going to be necessary for the reason that some improvements and extensions are being made by the Phillips Refinery wherein they are going to install a lubricating plant which should materially add to our revenue. We shall report on this further. It appears now the tail track will extend up the east side of Fairfax, cutting off the southeast corner of the Phillips property rather than the southwest corner as formerly planned, and as now marked with pencil on Exhibit "A" attached to the lease. Mr. Haugh is following up these necessary changes, however, the plan now contemplated is not materially different from the original plan of some several months ago.

As also attaching a memo or additional developments.

C. C. Weedin.

[fol. 703] (Copy) (T-I)

Omaha, May 29, 1938.
912

Mr. J. L. Haugh:

The Executive Committee has approved, subject to further review when the agreement has been prepared in final form, the arrangement under which we will lease from the City of Kansas City, Kansas, 24.7 acres of land for team yard to serve new food terminal to be constructed and owned by the City.

In connection with this proposal, the Committee understands that the estimated cost of team tracks, connections and for grading, paving, sewers, etc., in connection with this project is $556,666, but it has been explained that approval of these expenditures will be covered by AFE if and when the project is consummated.

I suggest you keep Messrs. Mann and Robinson advised of the progress toward consummation and of the physical necessities in connection therewith.

(Signed) W. M. Jeffers.

CC: Mr. H. C. Mann, Mr. F. W. Robinson.

[fol. 704] (Copy) (T-I)

Omaha, October 27, 1938.

File: Y-5704-2404-1047.

Mr. R. R. Mitchell:

On Monday, the 24th, at request of Mr. Robinson, attended conferences held in Kansas City relative to the proposed Kansas City, Kansas, produce terminal construction. At the meeting of our representatives in Mr. Stanley's office, Mr. Haugh outlined briefly the situation pertaining to the plans and the PWA grant for the market up to the present time. PWA grant has been approved and official notice has been mailed from Washington but not received up to Monday. Eight weeks are allowed from the time of notice for the parties and organizations concerned to complete the draft of plans, program, and other financing necessary to go

forward with the market before the PWA money becomes available. Failure to have plans ready within eight weeks, as I understand it, forfeits the PWA grant.

At request of Mr. Haugh through Mr. Robinson, the writer has been designated to work with Mr. Stanley in the development of all information, rules, regulations, and conditions necessary and essential to the best operation of the farmers' and growers' part of the produce terminal, also to coordinate this with the dealers' and commission merchants' part of the market. Information and plans on the latter are to be developed by the P. F. E. Company.

We immediately forwarded airmail letters to some of the produce terminal markets in the East and to our representatives, asking them to secure and forward to us as soon as possible rules, regulations, and conditions operative on those markets for farmers and growers, dealers and commission merchants. These will be carefully reviewed, coordinated, and a plan suggested for the Kansas City terminal. We have also written the Horticulture Department heads and Departments of Agricultural Economics at both Kansas and Missouri for similar information.

When all information has been secured, a meeting will be arranged at Kansas City, Kansas, with representatives of Kansas and Missouri agricultural colleges, and Mr. Crow of the Bureau of Agricultural Economics, Washington, to discuss and decide on rules and regulations for use at this market. Later meeting of growers and farmers representatives will be called at Kansas City, Kansas, to discuss the proposed rules, regulations, and plans for the market.

After studying the various market regulations now in effect in the East, I anticipate it will be advisable to visit the Northern Ohio Food Terminal at Cleveland, the Niagara Frontier Market at Buffalo, and Union Produce Terminal, Detroit, to interview market managers and growers representatives in order that we may have the benefit of their experience and reactions to their rules and regulations and operating conditions.

This will require a considerable portion of my time during November and possibly the first two weeks in December.

(Signed) Earle G. Reed.

[fol. 705] (Copy) (T-I)

Kansas City, Missouri,
November 30, 1938.

File: A-5400-1500-2640.

Mr. R. R. Mitchell:

Yours of November 17th, file B-5704-2404-1047, to which you attached copy of Mr. Haugh's letter of November 14th:

It was my privilege to have a nice visit with Mr. Brown in his office yesterday and, after briefly discussing some needed rate adjustments involving perishables, and particularly peaches into the Kansas territory about which we had had some former discussion, and in connection with which I had asked his views, he brought up the market question.

He discussed it at some length, indicating that the Union Pacific had hidden behind the skirts of Kansas City, Kansas in promoting the market, to which I replied that, even though it is a Kansas City, Kansas municipal project, we had cooperated with them and had been very much interested in the development for a long time, but that our people had not fully appreciated its great importance until after a very thorough study had been made; that after convincing themselves that the proposed Food Terminal Market would be a fine thing not only for the trade here, but the very large territory that might reasonable be expected to be served by Kansas City, the Union Pacific got behind it wholeheartedly, appreciating its importance as an industry which might be served by us, as would any other railroad placed in a similar position, and that we are firmly convinced it will prove of very great advantage to Greater Kansas City.

Mr. Brown remarked there are numerous ways whereby Kansas City, Missouri interests can effectively oppose the market, all of which suggestions have been heard before, including the difficulties that would arise from moving a large industry of this kind from one state to another; that it would be subject to the laws of Kansas, rather than Missouri as heretofore; that it would without doubt result in a split market since the market here would be constructed—even wanted to bet money that the Missouri market would be constructed; however, I evaded making any expression

regarding this feature. He stated the market might well be moved to 85th Street, a distance of about ten miles, without impairing its value, so long as it stayed in Missouri, but that if it were taken across the state line it would involve great complications, mentioning that firms who might have units in the new market and branches on the Missouri side might be handicapped by chain store regulations, etc. I could not feel that he took many of his arguments very seriously.

Mr. Haugh is correct in that Mr. Brown feels that more attention should have been paid him and his views, stating his firm does a lot of business, etc. To this I responded with the suggestion that I feel myself to blame more or less for that, in that I had been asked regarding sentiment, and [fol. 706] after talking to most of the cash handlers and wholesalers, I had reported to our people that the proposal is very favorably considered by the market as a whole—that I had failed to realize the importance of the larger brokers, whom I had felt as a matter of course would be glad to see the enlarged market—that it was not the intention to overlook anybody who might be interested in the development of the market. I assured him that we have all along known of the importance of his firm's business, the substantial volume they handle, etc., but not being actually on the market as cash handlers, I had simply overlooked talking to him, or asking our people to do so. He again at some length explained in detail their method of doing business, which is quite modern as demonstrated by the orderliness of their offices, check-up systems, etc.

I considered Mr. Brown more friendly than when Mr. Stanley and I last saw him, and really believe he feels more kindly toward us, even though he is still seemingly very much in the hands of the opposition.

I mentioned that Mr. Haugh hoped to be in Kansas City today, and while I knew his time probably would be fully occupied, I would suggest to him and hoped he might find time to have a brief visit with him. I, of course, realized that this might not be possible, but he seemed to appreciate the expression and said he would be very happy to see any of our executives.

I think it would be fine if you would pay him a brief visit, and I would particularly appreciate having Mr. Robinson

drop in on him at the first opportunity. It, of course, goes without saying that calls should not be restricted to Mr. Brown, and a large number of calls should be made if and when you gentlemen are prepared to call on this particular firms.

(Signed) C. C. Weedin.

CC—Mr. J. L. Haugh, Mr. G. E. Stanley.

(In ink: P. S. We have often seen him about business and normal solicitation.)

[fol. 707] (Copy) (T-I)

Kansas City, Missouri,
December 3, 1938.

File: A-2404-1501-1

Mr. R. R. Mitchell:

There is attached statement prepared by Mr. Armstrong, Mr. Fryer and me, listing:

1st. Firms operating in the Kansas City area reported to have executed leases for space in Food Terminal.

2nd. Firms operating in Kansas City area who have not executed leases for space in Food Terminal.

3rd. List of Brokers operating in the Kansas City Territory.

4th. List of various firms divided into groups which might be classified A, B, and C, respectively.

For obvious reasons we have not undertaken to show relative importance as, such statements are sometimes seen and cause embarrassment.

The market cistuation is developing very satisfactorily, and we have been sending you clippings pertaining to activity on the part of the opposition.

(Signed) C. C. Weedin.

[fol. 708] PLAINTIFF'S EXHIBIT No. 15

Traffic File

T-II

Kansas City Food Terminal

[fol. 709] (Copy)

Omaha, January 3, 1939.

Mr. F. W. Robinson:

Attached is a copy of letter from Mr. Stanley of December 31 about a suit that has been brought in the Federal Court to enjoin Union Pacific from constructing tracks to serve the Kansas City Food Terminal until it has obtained a certificate of public convenience and necessity from the I. C. C.

Our attorneys reviewed this matter at the inception of consideration of the project and since. They are of the opinion that no approval by the Commission is required, and are not concerned about the outcome of the suit. In the meantime, however, the opponents, who are fostering the suit, are keeping things stirred up and while they have not, as yet, done any damage we are always fearful lest they may.

Mr. Mitchell has a very splendid acquaintance at Kansas City, and the businessmen think a great deal of him. He could be very helpful if he could spend some time there, now and then, calling on his old friends, particularly in giving the new Food Terminal a good start.

The attitude of the principal produce shippers is splendid. Mr. Stanley needs reinforcement from headquarters.

(Signed) J. L. Haugh.

cc—Mr. H. C. Mann.

[fol. 710] (Copy) (T-II)

At Kansas City, Mo.
January 12, 1939.

Mr. F. W. Robinson:

I had a long interview yesterday with Mr. Catts, Manager of the Kansas City, Mo., Chamber of Commerce, with reference, of course, to the Produce Terminal difficulty.

Following is position of the Chamber of Commerce as stated by Mr. Catts:

In 1932 the City of Kansas City voted bonds for certain improvements and included in that budget was the rebuilding of the City Market. Mr. Catts said that not only the merchants in North Kansas City, Mo., but the citizens as well, felt that in view of the fact that these bonds had been voted they were fully justified in objecting to the removal of this market with the accompanying produce business houses to a point outside of Kansas City, Mo.; that the objection would run equally as against any other site located either in Armstrong, North Kansas City or a point in Jackson County outside of Kansas City. He told me that he thought the feeling was pretty strong and that, of course, it was directed against the Union Pacific account of its having taken over the bonds of the new terminal, which, in his opinion, would mean that the market would eventually belong to that company.

It was also his thought that a split market was a bad thing for the town, and that there would certainly be one as the retail merchants in Kansas City would purchase from a Kansas City, Mo., Market in view of the fact that they were responsible under the general taxation scheme for the interest on the bonds.

I explained to him, as I have to others, that the Union Pacific was not solely interested in the business for Kansas City proper, but that we were interested in the development of Kansas City as a large market so that rollers and other business would move via that gateway for inspection and diversion, and that it was our thought that this meant a good deal to the Kansas City area.

As you have doubtless been advised, the city is proceeding with the building of the market on the Missouri side and has threatened to lease stalls to the retail and/or wholesale jobbers at a very low rental.

In my talks with other people outside of the produce men and those interested in North Kansas City I do not find very much adverse criticism.

I will be here today and tomorrow.

(Signed) R. R. Mitchell.

[fol. 711] (Copy) (T-II)

Omaha, January 16, 1939.

File B-5704-2404-1047

Mr. Robinson:

Spent last week in Kansas City and contacted most of the larger shippers and most of the traffic men. Had a luncheon at the Kansas City Club on Friday, attended by those shown on attached list.

The errand of my trip was principally to contact people with a view of offsetting the propaganda against the Union Pacific Railroad account of the Produce Terminal, which propaganda was initiated by a committee of the Chamber of Commerce of Kansas City, Missouri, and the North Side Merchants Association.

With a view of offsetting adverse influences on the Chamber of Commerce Board, I called upon personal friends who are Directors or Vice-Presidents of that organization.

Had a long visit with the President of the Kansas City, Missouri, Chamber of Commerce and the Manager: also Vice-Presidents Gustin, Lincoln, Smith and Rothschild, and have the promise of the last four that they will do everything in their power to forestall any resolutions that may be offered in criticism of the Union Pacific.

Find that the difficulty seems to be confined entirely to the perishable situation and am convinced that there is to be a very bitter fight when it is time to finally locate the various firms.

The City of Kansas City, Missouri, is proceeding with the construction of its market and will install a number of stalls which will be rented at a nominal figure to the merchants. It is the opinion of one or two of my friends that the City Administration will endeavor to force the retailers of Kansas City, Missouri, to buy at the Kansas City, Missouri, market, and as I said before, this will be the test of the entire matter.

You are familiar with the injunction sought in the Federal Court to prevent the Union Pacific from constructing tracks into the Produce Terminal on the levee, and I understand that the Kansas side will endeavor to enjoin Kansas City, Missouri, from building additional stores for the wholesalers, there being some question as to the terms under which the City is authorized to construct such facilities.

Mr. DeMott, Manager of Sears, Roebuck & Company and President of the Kansas City, Missouri, Chamber of Commerce, told me that he understood the Chamber had no more interest in the matter and that their efforts were entirely to prevent the granting of Federal aid to the Kansas City, Kansas, project. However, Vice-President Smith of the Chamber of Commerce told me that the subject had been on the docket for a Directors' meeting and it was his opinion that the matter would come up for consideration of the Board of Directors in the near future.

[fol. 712] Generally speaking, I find that the business men of Kansas City, other than the produce people, are favorable to the Union Pacific in that they appreciate that that railroad is trying to build up a national market, which they feel will be of advantage to Kansas City, Missouri. However, there is a very strong sentiment against the tactics employed by Kansas City, Kansas, in endeavoring to move the produce people from Kansas City, Missouri, and, of course, the Union Pacific comes in for criticism in view of the fact that it is supposed to be financially interested in the Kansas City, Kansas, terminal.

How bitter the fight will be before it is over, and how it will affect us with certain of the perishable receivers, is a matter of conjecture. I feel that we are bound to lose some perishable traffic until such time as the entire situation may be composed.

The only perishable people I called upon were Mr. Brown, the broker, who was very bitter, and Mr. Michael, of Michael-Swanson-Brady, who seems to be very favorable to us. Mr. Cochrane was out of town.

(Signed) R. R. Mitchell.

P. S.: I also attended the Kansas City Traffic Clu' dinner Thursday evening, January 12th.

[fol. 713] (Copy) (T-II)

At Kansas City,
Jan. 24, 1939.

Mr. F. W. Robinson:

I have noted Mr. Mitchell's letter of Jan. 16 attached.

The calls that he made at Kansas City have been very helpful. It would be well for him to make another visit to Kansas City when he can work it in. I talked to Mr. Mit-

chell immediately following his visit at Kansas City, and am pleased with the way he handled the calls.

Many of the merchants are already signed up for the new Food Terminal. Frankly, I look for a stampede to that location by those who are still "on the fence" before the buildings are ready for occupancy.

We have considered fully as to what the city administration of Kansas City, Mo. could do to keep the retailers of Kansas City, Mo. from buying at the Kansas Terminal, and we do not know of anything that they could successfully accomplish in that direction.

The tactics that are complained of are two-fold:

One is that the Kansas people went directly to the President of the United States to get the money for the Food Terminal. It seems to me and to many in Kansas City that this is something they should be complimented upon rather — criticised.

The second relates to what the opposition calls the purchase of business, and is wholly unfounded and untrue. It is propaganda that has been spread by Ted Dodds of the U. S. Cold Storage and Turney Gratz of the North Side Business and Improvement Association.

(Signed) J. L. Haugh.

[fol. 714] (Copy) (T-II)

New York Central System
New York, New York,
May 16th, 1939.

Dear Mr. Robinson:

I understand the Union Pacific is financially interested in the erection of a Produce and Cold Storage Terminal in Kansas City, Kansas.

If any of the materials of the construction of this property originate in our territory, it would indeed be considered a great favor if you could see your way clear to route as large a proportion as possible of the business via our lines.

Thanking you in advance for anything you can do for us, and with kind personal regards, I am

Very truly yours, (Signed) C. J. Brister.

Mr. F. W. Robinson,
V. P., Union Pacific R. R.,
Omaha, Neb.

[fol. 715] (Copy) (T-II)

May 20th, 1939.

Mr. C. J. Brister, V. P., New York Central System, 466 Lexington Ave., New York City.

Dear Mr. Brister:

Your note of the 16th about the Kansas City, Kans. food terminal.

Your understanding is correct and the work on that project is well under way. While there is very little material from your territory going into this construction, I am sure the New York Central will be most carefully considered in the movement of any materials the routing of which may be within our direction.

Union Pacific is not actually constructing these facilities but the contractors are broad minded with respect to suggestions that may be made in the direction of routing.

With cordial regards, I am

Sincerely, (Signed) R. W. Robinson.

[fol. 716] (Copy) (T-II)

Kansas City, May 21, 1939.

Mr. R. R. Mitchell:

The following is submitted as a brief summary of my activity in connection with the solicitation of inbound freight shipments account our new Food Terminal, Kansas City, Kans:

Cut Stone—There will be five or six cars. They will be shipped by the Heltonville Limestone Corporation, Bedford, Inc. These shipments will move C. I. & L., C. & N. W. R., Council Bluffs, Un. Pac. I have advised Mr. Swope at Cincinnati that this office is responsible for the Monon getting this business. I have also advised Mr. Eyman of the C. & N. W. Ry.

Tin Clad Doors—These will be shipped by the Richmond Fireproof Door Co. Richmond, Ind. and will move Penna.-C. & N. W. R. Pennsylvania and the C. & N. W. R. have been advised of this also. It is not known now just how much tonnage there will be in this item. However, what there is we will handle.

Sliding Doors—These will be shipped by Mesker Bros. Iron Co. St. Louis, Mo. If rates are OK, we will try to secure

this business Ill Term, Springfield, Ill. Cent., Council Bluffs, Un. Pac. This is having our attention at this writing.

Struct. Steel & Misc. Iron—Mississippi Valley Steel Co. St. Louis, Mo. will ship several cars and they are instructed Ill Term., I. C., Springfield, Council Bluffs, Un. Pac.

Metal Doors & Frames—Will be shipped by the Metal Door & Trim Co. LaPorte, Ind. and will move N. Y. C. Chicago, C. & N. W. R., Council Bluffs, U. P. Will be a car or more.

Millwork—American Sash & Door Co. Kansas City. Probably be taken from stock here.

Lathing—J. R. Seaman Co. Kansas City. Ditto.

Marble—Will come from Carthage, Mo. Will get but a switch.

Terrazzo Flooring—Three or four cars will come from Knoxville, Tenn.

Hardware—Contract awarded Buntings, Kansas City. I saw Mr. Butts and he advised me shipment would move from Connecticut and he agreed to route C. & N. W. R., Council Bluffs, Un. Pac. L. C. L.

Elevators—Globe Hoist Co. Des Moines, Iowa will ship these. This business has been lined up U. P. from Council Bluffs.

Metal Toilet Partitions—Sanymetal Prod. Co. Cleveland, O. will ship these. They will route N. Y. C., C. & N. W. R. Co. Blffs. U. P.

There will be other products involved which we have not unearthed as yet. However, I am keeping in touch with the contractor, the S. Patt Construction Co., Inc., Kansas City, [fol. 717] Mo. and their Mr. Morris Yeddus has been very helpful and co-operative.

I thought you would be interested in having a picture of the work done in soliciting traffic account this Food Terminal activity.

K. T. Mindemann.

KTM

[fol. 718] (Copy) (T-II)

Kansas City, Missouri,
June 12, 1939.

File: A-2404-5403-Fairfax.

Mr. R. R. Mitchell:

Reporting briefly on the Kansas City Food Terminal situation:

Friendly interest toward our project continues to grow among the dealers; several formerly indicating lack of interest have been making trips from time to time to the new project and manifest much interest.

Since the political collapse in Kansas City, Missouri, resulting in the indictment of Mr. Pendergast and others, the agitation for the Missouri project has lost most of its support. However, there are a few, including the U. S. Cold Storage and Merchants Bank, still agitating the matter. We are inclined to believe Mr. Singer is expressing little opposition. Garrett- & Holmes who have been in the enemy camp have indicated increased interest in our project. Turney Gratz, Secretary of the North Side Association, as well as local McElroy spokesman, is no longer with the organization, in fact he has been endeavoring to secure a job with the Union Pacific. He has talked to Mr. Stanley, as well as Mr. Haugh on different occasions, but they seemingly are not sympathetic.

The building program is making rapid progress. The concrete work on the Jersey Creek sewer project is practically completed. The foundations of the four produce buildings are completed and concrete floors have been poured in the southwest building. Concrete floors of the northwest (two-story) building will be poured within the next few days, just as soon as the heavy plumbing work is completed. The basement wall forms have been set for the southwest building, and concrete will be poured the first part of the week. Promptly after completing basement walls of these two west buildings, the forms will be transferred to the two east buildings for completion of similar work.

Piling has been driven and foundation work will soon start on the Federal Ice & Cold Storage building.

Foundation slabs will be poured in the near future for the Farmers Market portion.

The viaduct steel work is completed, and roadway approach materials are being poured. It is expected this viaduct will be in use within the next thirty to forty-five days.

Hydraulic pumps are now filling and raising the ground level for the team and inspection tracks. The main lead tracks have been laid across Minnesota Avenue from the west, and Mr. Stanley has progressed his negotiations with Phillips Petroleum Company so that trackage right-of-way will soon be available for extending our tracks east and

north along the Missouri River. There are probably 500 men working in the district now.

[fol. 719] The Government has started its river construction program, and has already driven a large number of piles, straightening the west bank of the Missouri River north from the Food Terminal to the north end of the Fairfax District. About July 1st they will advertise for bids aggregating about $1,900,000, all of which will be adjoining and an improvement to our Fairfax District.

The new Union Pacific icing facilities have been approved, and understand work will start on that program in the near future. This is to be an island dock to accommodate 72 cars on each side. It will be located just south of our Armstrong roundhouse, and extend westward from a point near the Kaw River to about Eighth Street.

Believe you are familiar with the Phillips Petroleum Development program involving approximately $2,000,000 in connection with their lubricating and coke plants, being located just north of their present facilities. We have handled most of their materials, including steel, however, there will be quite a substantial movement to follow.

The Socony Vacuum people indicate they will soon want additional trackage to accommodate their proposed compounding plant to be constructed on their property in the northwest corner of the Fairfax District. They also intend to move their bulk oil facilities from the Southwest Boulevard Frisco tracks to their Fairfax location. Their extension program will cost from $400,000 to $500,000. All of these projects combined, including the river work, involve in excess of $9,000,000, and the combined program represents practically all of the Kansas City 1939 construction. This is causing much favorable comment here.

Mr. Frank Norton, prominent contractor here, informed us a few days ago there are no construction plans, public or private, being figured in Kansas City, Missouri, which makes the work initiated by the Union Pacific preeminently prominent.

We have been very hopeful that you, Mr. Jeffers and Mr. Williams might see this Food Terminal program at this stage of development, as well as later on—Mr. Robinson, Mr. Haugh and Mr. Cahill having recently viewed the progress of the work.

(Signed) C. C. Weedin.

Cy.—Mr. G. E. Stanley.

[fol. 720] (Copy) (T-II)

Telegram

5704-2404-1047.

H L L — New York.

Omaha, June 17, 1939.

A-176 United Cork material routed by Mindemann Kansas City Lehigh Valley Nickel Plate Milwaukee CoBluffs thence U. P. Reason this business given Nickel Plate by our Kansas City people is because that line very helpful to us in early stages development our Produce Market. B-104.

R R M.

9:40a

[fol. 721] (Copy) (T-II)

Kansas City, June 18, 1939.

Mr. R. R. Mitchell:

Today, at the New Greater Kansas City Food Terminal, there was a foundation Ceremonial of the Farmers' Division on the Public Levee in Kansas City, Kans.

Several hundred farmers were present. Also produce men. I met many of them. Telegrams were received from the Governors of Nebraska and Kansas who could not be in attendance. Hon. Harold Ickes also sent a wire expressing his regrets in not being here.

Former Governor Weaver, Nebraska, and Mrs. Weaver were here. I had the opportunity of taking them in hand and driving them around. Mayor McCombs was here. These men, and Mr. Guy Stanley were the principal speakers.

The guest party (about forty) were dined in the Fairfax (Airport) dining room at noon. After lunch we went to a point just East of the River-Rail Elevator where tents and a stand were erected (with loud speaker) where Mr. A. C. Rieke, Chairman, Farmers' Committee presented the speakers enumerated above.

From a Union Pacific standpoint, Mr. Stanley made the outstanding address. He traced the building of this project from its beginning up to the present and cited the objectives very plainly and in well chosen words.

It gave me an opportunity of meeting many men in the produce business away from their businesses.

Altogether, it was a fine affair, and I thought you would be interested in knowing about it.

(Signed) K. T. Mindemann.

[fol. 722] (Copy) (T-II)

Philadelphia, June 19, 1939.

File: A-252.

Air Mail

Mr. K. T. Mindemann:

Referring to my telegram June 17th, advising Frick Company, Waynesboro, Pa., have orders for approximately 12 cars refrigerating machinery for new Produce Terminal at Kansas City, Kansas.

This information secured from one of our competitors and it is my understanding that the material in question is for use in our new terminal on Fairfax Industrial Property at Kansas City, Kansas.

I learned today through another source that contract has been awarded to Armstrong Cork Co., Lancaster, Pa., for approximately 40 carloads cork materials for the new produce terminal.

Will you please confirm our understanding that these are actually Union Pacific Company purchases and advise me full details as to routing which will be specified, in order that we may follow up to insure same being respected. This information is, of course, of considerable value to us in the matter of reciprocity on business ordered by our Company from shippers in this territory.

Any routing specified from your end should be transmitted direct to shippers as well as through their own Sales Office in Kansas City.

(Signed) Morton Mann.

CC—Mr. R. R. Mitchell.

[fol. 723] (Copy) (T-II)

Kansas City, Mo., June 20, 1939.

B-5400-1500-2649.

Mr. Morton Mann:

Your A/252, June 19, re cork from Armstrong Cork Co., Lancaster, Penna., for the Cold Storage Plant, Kansas City Food Terminal:

Interstate Construction Company, Kansas City, Mo., have this contract and we have been in close touch with their Mr. Erbach who will accept our routing. This tonnage will be divided, and we will tell you about it as soon as Mr. Erbach is ready to talk to us about it.

You understand this too, is not a Union Pacific purchase. However, the contractors, all down the line, have been very fine about giving the Union Pacific their haul on any tonnage moving from points which we can handle.

(Signed) K. T. Mindemann.

CC/ Mr. R. R. Mitchell.

[fol. 724] (Copy) (T-II)

Kansas City, June 25, 1939.

B-2404-1501-2
B-54 00-1500-2649

Mr. R. R. Mitchell:

So that you may have a condensed picture of routing furnished on materials going into the construction of our Food Terminal, Kansas City, Kans., the following is given:

Cut Stone (Indiana) several cars—CMSTP&PRY, Co. Blffs, UP.

Tin Clad Doors, 3,000 lbs. from Richmond, Ind. PRR C&NW UP.

Sliding Doors from St. Louis, 1 or 2 cars, IT Wab., UP.

Metal Windows from St. Louis, 1 or 2 cars, IT Wab UP.

Caulking, from the East, L.C.L. PRR, Chgo, C&NWR, UP.

Hollow Metal Doors & Frames, 1 or 2 cars, from LaPorte, Ind. NYC, Chgo, C&NWR, UP.

Marble, one car from Carthage, MO., Routed Frisco, but shipper refused route Frisco and will move M6. Pac.

Terrazzo Flooring, several cars, from Knoxville, Tenn. Routed Sou'n to St. Louis, Wab to Kansas City.

Cork, 7 cars from United Cork Co., Kearney NJ CRRNJ LV NYCStL CMStP&PRy CoB UP.

Elevators, from Des Moines, car or two, routed C&NWR UP.

Metal Toilet Partitions, from Cleveland, car or more. Routed NYC C&NWR UP.

We have had five cars cement from Bonner Springs. There will be some plumbing goods which we will also handle.

The above is materials for our Units A. B. C. & D, Dealers Buildings.

The following routings have been furnished for material going into the Cold Storage building:

Machinery from Frick Co., Waynesboro, Pa.:

200,000 lbs. WM P&LE NYC IT Wabash UP.
200,000 lbs. PRR to Chicago, C&NWR, UP.
200,000 lbs. PRR to Erie, NYC, Chicago, CMSTP&P Co. B., U.P.
80,000 lbs. galvanized ware from Philadelphia, PRR Chgo CMStP&P Co. Bliffs, UP.

Car ammonia from Hopewell, Va. N&W NYC C&NWR UP.

140,000 lbs. ice cans from Parkersburg, W. Va., B&O C&NWR UP.

There will be another 500,000 lbs. miscellaneous items account Frick Co. which will be routed just as quickly as I can ascertain points of origin.

There will also be some 40 cars of cork from Lancaster which will be routed very shortly.

Additionally, there will be other items such as brick, lumber, cement, etc. on which the contractor agrees to accept our routing. As you know, the contractor on the Cold Storage Building is the Interstate Construction Company, Kansas City.

[fol. 725] On the dealers buildings (units A, B, C, & D) the contractor is Sebastian Patti Construction Co., Kansas City.

Regarding materials for the Farmers Market Building, the contractor is the Weeks Construction Co. He will have some steel from St. Louis (some 300 tons) which we will handle; decking from Detroit, Mich., which I will route Michigan Central. Undecided where he will buy his roofing. Plumbing will be sublet to Jacobson, Kansas City. If from points we can handle we will get that also. Cement will probably be bought in KCK. Cement will be Redi Mix KCK.

The Contractors have been very co-operative, and while in each instance our routings have not been followed to the letter, the Un. Pac. part of it has.

(Signed) K. T. Mindemann.

P. S. I overlooked stating that the steel from St. Louis for Dealers Buildings, (units A B C & D) was routed Ill. Term. Wabash, UP, but shippers refuse to give the IT these cars and wrote Patti they would ship them Wabash to Council Bluffs, Union Pacific. The Illinois Terminal know we tried to give them this business and understand why they will not handle it.

KTM.

[fol. 726] (Copy) (T-II)

At Denver, July 27, 1939.

Mr. W. M. Jeffers:

Continuing my letter of the 14th instant about the number of cars of fruits and vegetables unloaded at Kansas City that were handled by the Union Pacific:

That report was for the first five months of 1939.

I now have the report for the first six months.

Below is comparison of Union Pacific unloads with the unloads of all the other lines:

	Union Pacific		All Other Lines.	
	This Yr.	Last Yr.	This Yr.	Last Yr.
January	284	223	642	702
February	213	136	728	766
March	231	157	887	1,056
April	244	193	758	881
May	265	198	762	903
June	176	82	660	832
Total	1,413	989	4,437	5,140

Union Pacific unloads increased 424 cars during the period, while the unloads of all the other lines decreased 703 cars.

(Signed) J. L. Haugh.

cc—Mr. N. A. Williams
Mr. F. W. Robinson

(Pencil Note: RRM—These figures do not agree with pencil figures of CCW.?)

FWR 7/29.

[fol. 727] (Copy) (T-II)

Kansas City, Mo., July 31, 1939.

Mr. R. R. Mitchell:

Today in Kansas City, I met Mr. H. D. Roddenberry, (Fruit & Vegetables) Security First National Bank Bldg., Santa Maria, Calif.

Also, Mr. R. F. Fukunaga, of Fukanaga Bros., San Luis Obispo, Calif.

They also met our Mr. Guy Stanley, also Mr. Jasper DeMarea and were taken over to the Food Terminal, and later Mr. Stanley explained our proposed lay-out and showed them blue prints and plans. They were favorably impressed.

Thought you would be interested in knowing about it.

(Signed) K. T. Mindemann.

CC Mr. R. M. Ritchey.

[fol. 728] (Copy) (T-II)

Kansas City, Missouri,
August 16, 1939.

File: A-2404-5403-Fairfax.

Mr. R. R. Mitchell, Omaha:

Reporting further on the Kansas City Food Terminal, which was referred to in my letter of June 12th:

Friendly interest continues to be manifested, and many of the Kansas City dealers are making frequent trips to the new market watching developments. For example, we accompanied some merchants a few days ago, and while there ran into Mr. Brown of Brown & Loe Company, who was showing some other- the facilities, and obviously he is taking quite a little pride in the improvements. He has recently addressed some of his accounts, including the Western Vegetable Distributors, to route their traffic Union Pacific, mentioning some 30 odd cars, of which Mr. Mindemann advised you August 14th, on Form 6584.

The two new Missouri buildings were opened for occupancy August 1st, but there was much hesitancy on the part of several lessess in moving, and with the possible exception of Eddie Lorber there was none of any impor-

tance moved. Garrett-Holmes & Company, Inc., one of the important firms, after having reserved quarters, declined to occupy them for some time; the move was made about the 7th, sales reported as less than $10, then, after one day's occupancy, returned to old quarters on Grand Avenue. This firm recently indicated a desire for space in our Food Terminal. We believe these new buildings on the old market location are so unattractive to the trade, they will really serve in numerous ways to strengthen our position.

I recently had a visit with Mr. L. Singer, and was never more cordially received. He talked briefly of the market situation, stating he still had hopes something may be worked out on the Missouri side, as it is of importance to him considering his large building investment. Just yesterday, Mr. Mindemann developed he had recently authorized the re-routing of several cars to include movement over the Union Pacific.

The DeFeo Fruit Company recently was required to vacate its quarters, but immediately found a suitable building across the street equally as good or better than the old location.

Yesterday, Mr. Gordon Smith of C. H. Robinson Company, after looking over the new market, expressed himself very favorably to Mr. Mindemann. In fact, many of the local merchants are taking pride in showing their out-of-town produce friends about our market.

Regarding our new facilities:

Building "A", the southwest unit of the group of four, should be completed about September 20th; the brick walls are being laid, and basement walls and refrigerators are being installed; the other buildings will follow successively, being completed at intervals of about two weeks.

Building "B", the southeast of the group, entirely framed [fol. 729] and concrete poured including the roof.

Building "C", the northeast of the group is poured up to the first floor, and is now being framed for the superstructure. The concrete will be poured next week.

Building "D", the northwest of the group, with two stories and basement—the building in which the brokers' offices will be housed—on account of a change in size of columns, will be delayed a little, however, it should be completed about November 1st.

The cold storage foundation and steel work are completed and columns are being framed for the second floor.

The Jersey Creek work is nearing completion, and back filling is now being done, and should be completed in about three weeks. As soon as the west part of this is back filled, it is the intention to extend tracks along the west side of buildings "A" and "D", to facilitate the handling of building materials. The paving about the buildings was let to Tobin Construction Company, and it is expected work will be started within the next week. The contractor is now grading and leveling the site.

The Farmers Market is well under way, all platforms having been constructed and the west row steel work is practically completed, making a very impressivle appearance. In this connection, every farmer's market stall has been leased.

The team and inspection yard space has been filled, and some sewer work is now being done.

The main double track leads have been laid across Minnesota Avenue, and Mr. Stanley completed final arrangements with Phillips Petroleum Company officials today for right-of-way, and moving of one tank and some other facilities to permit prompt construction of break-up yards along the Missouri River.

All units in buildings "A", "B", and "D" have been leased. Building "C", reserved for use of allied fruit lines, has not been completely leased, however, there have been several applications, and it is thought there will be no difficulty in filling the entire building with desirable firms. Among those asking for space in this building are, the Kansas City Wholesale Grocery, Shefford Cheese Company of Green Bay, Wisconsin, Midwest Fish Company, Hershey Wholesale Gfocery Company of Kansas City, Levy Meat Company and Williams Meat Company. It has not been decided whether live poultry dealers will be permitted in this building.

The Minnesota Avenue Viaduct was completed and opened yesterday.

U. S. Corps of Engineers has advised that it will advertise for bids on the new Fairfax levee dike August 28th. The bids will be received about two weeks later and the [fol. 730] government will require the contractor be on the job within fifteen days after contract is awarded, in order that the dike back of Phillips can be relocated this fall to

accommodate the new yard tracks of the Union Pacific. This dike will extend from Quindaro Water Works down stream to the Missouri Pacific bridge on the Kaw River. The entire project is estimated to cost $1,950,000. The only possible hitch in the plan now is our inability to get necessary right-of-way from the Missouri Pacific before August 28th, notwithstanding the fact negotiations have been carried on since April of this year. It is necessary cross the Missouri Pacific at the north end of the Missouri Pacific bridge across the Kaw River, also for a tie-in dike above the Quindaro Water Works. Missouri Pacific officials have made exhorbitant demands, including a request today that the Fairfax Drainage District raise certain tracks at a cost of $40,000. Mr. Haugh is fully advised about this, and it is believed Mr. Stanley and Mr. Haugh will be able to have this question satisfactorily disposed of, as they have many others without undue delay. The Fairfax dike does not affect the Food Terminal in any way, except defers construction of our yard between Phillips Refinery and the Missouri River.

The Phillips Petroleum plant addition, involving approximately $2,000,000 is being satisfactorily progressed, one of the new stills being completed and now in operation.

The Socony Vacuum program is progressing, and bids for construction of the new marketing and bulk distributing plant have been asked for. Bids for the lubricating plant, which has been delayed somewhat by plans for the new dike at Fairfax, have not been asked for.

Mr. Cahill accompanied Mr. Stanley and me through the Food Terminal project yesterday, and we are still hopeful others of our higher executives will avail themselves of the first opportunity to see these construction activities—fully 1,000 men are working.

(Signed) C. C. Weedin.

Cy.—Mr. G. E. Stanley.

[fol. 731] (Copy) (T-II)

Kansas City, Mo.,
Sept. 9, 1939

Mr. R. R. Mitchell:

Answering your letter of September 8th, file B-5704-2404-1047.

Your understanding is correct. The cold storage plant will not be completed until about January 1st. The first

produce unit will be completed about October 10th, the second produce unit will be completed before November 1st and the merchants' buildings should all be completed by November 10th.

I am inclined to believe that it is best to pick out a Monday opening date and move all the merchants on a Saturday afternoon and Sunday so they will not miss a single day of business. I also think it would be best to move them all at one time, if possible.

Give us a check up the first time you have a chance to look over the food terminal under construction.

(Signed) G. E. Stanley.

[fol. 732] (Copy) (T-II)

Kansas City, Missouri,
September 21, 1939.

File: A-2404-1501-2

Mr. R. R. Mitchell: Omaha

That you may be informed of developments in connection with the Kansas City Food Terminal during the last few days, we are attaching copies of communications handled by municipal and governmental authorities.

In this connection, Mr. Engel, president, and Mr. Lautz, general manager of the Sante Fe, called on Mr. Breidenthal at his office Wednesday afternoon, after which Mr. Breidenthal invited Mr. Stanley and me to come over to his office to discuss the matter.

Briefly, Mr. Engel explained that the Santa Fe is interesting itself in the Missouri proposal as a matter of protection, stating the Santa Fe had not been invited to participate in development of the Kansas City Food Terminal project, and would be guilty of negligence if it did not take protective measures. He had but little to suggest other than indicating that the Union Pacific would have a very great traffic advantage if the Santa Fe were not permitted to participate in the Food Terminal.

Mr. Breidenthal stated he has always been very friendly with the Santa Fe people, and suggested it might be well for the Union Pacific to talk to representatives of the Santa Fe incidental to Mr. Engel's call. He stated he, of course, realized the Santa Fe has done nothing to cooperate, but

as a matter of policy it might be desirable to give some consideration to this.

This for your information.

(Signed) C. C. Weedin.

Cy—Mr. F. W. Robinson.

(Ink Note: Air mail c/o Mr. Alvin)

[fol. 733] (Copy) (T-II)

Kansas City, Missouri,
September 25, 1939.

Mr. R. R. Mitchell—Omaha:

Supplementing my report of August 16th with reference to progress of the Kansas City Food Terminal:

The Farmers Market should be completed (paving between the different market units) by September 30th.

Unit "A", the Southwest Building should be practically completed by October 8th, at which time it is intended to hold open house for the produce dealers, employes and their families. One unit is to be entirely completed, including decorations, as mentioned in my telegram this date.

Unit "B" will be well toward completion October 23rd, so that it may be partially occupied if necessary, as notice has been served on several of the Missouri side dealers to vacate their quarters by October 21st.

Unit "C", the Northeast Building, has framework and walls nearing completion.

Unit "D", the two-story building, has cement work completed to the second floor, and it is expected the building will be completed the first part of December.

The paving south of units "A" and "B" and between these two units should be completed by October 23rd.

The open space on both sides of the Jersey Creek concrete sewer work is now being filled, and it is expected the work will be completed by October 8th, after which our track should be laid along the west side of Units "A" and "D".

Paving in the team and inspection yards has been more than half completed, and the laying of tracks was started last Saturday.

Negotiations with the Phillips Petroleum Company for right-of-way leading to the north yard were recently completed so that the big oil tank may be removed at an early date, permitting track laying to proceed.

As to the dealers in the old market: Garrett & Holmes, one of the important firms, recently signed a lease.

L. Singer, with considerable investment in buildings, while interested, ha done nothing more toward executing lease.

We continue to hear favorable remarks from most of those in the produce market, however, quite a little interest is being manifested with reference to the proposal of the Santa Fe, Missouri Pacific, Rock Island and Burlington, to build team tracks adjacent to the river and east of Grand Avenue. So far as we have been able to learn nothing defi- [fol. 734] nite has been done about this.

We shall be glad to keep you informed of further developments.

(Signed) C. C. Weedin.

Cy.—Mr. F. W. Robinson.

[fol. 735] (Copy) (T-II)

Omaha, Sept. 28, 1939.

600-12

Mr. W. M. Jeffers:

In my letter of July 27th I reported the number of cars of fruits and vegetables unloaded at Kansas City by the Union Pacific, as compared with the unloads of all other lines, for the first six months of 1939.

Below is comparison of Union Pacific unloads with the unloads of all other lines, for the first eight months of this year:

	Union Pacific		All Other Lines	
	This Yr.	Last Yr.	This Yr.	Last Yr.
January	284	223	642	702
February	213	136	728	766
March	231	157	887	1,056
April	244	193	758	881
May	265	198	762	903
June	176	82	660	832
July	161	121	514	685
August	272	200	407	533
Total	1,846	1,310	5,358	6,358

Union Pacific unloads increased 536 cars during the period, while the unloads of all the other lines decreased 1,000 cars.

(Signed) J. L. Haugh.

cc—Mr. N. A. Williams.
Mr. F. W. Robinson.

[fol. 736] (Copy) (T-II)

1939 Oct. 3, P. M. 3:21.

262 3GN Telegram

KC 230 P. M.

RRM FWR OMA FWR CHGO

Account unavoidable delays encountered in construction it necessary defer inspection produce building by Produce Dealers from Oct 8 to Saturday afternoon Oct. 14. Directors of Associated Grocers and Kansas Service Grocers representing over 500 stores will inspect Terminal 4 P. M. Monday Oct. 9 and will arrange at that time for some Sunday afternoon, probably Oct. 15, for all grocers of Greater KC and surrounding area to inspect new facilities under construction. When Produce Dealers inspect building Oct. 14 tracks will be in place beside buildings so some cars can be set to make a big point in direct unloading from car to store. It estimated about 20 dealers and employes go to our Terminal every day to look over improvements and because windows, overhead doors and store fronts being installed, Terminal generally causing very favorable comments and there seems to be a lessened interest in opposition program of four railroads to building joint terminal and inspection track. While two buildings would be substantially ready for occupancy about Oct. 21 there some disagreement in trade as to whether market should be opened in sections and if it decided to open whole terminal with a bang it will be necessary defer opening until Dec. 1 Mr. Stanley advises he will wait for Mr. Haugh come to Kansas City at which time we will have general conference with trade and agree whether Terminal will be opened in sections or all at once. Mr. Haugh is advised about this plan. Senator Clyde Reed has made strong protest to Mr. Pelley with Association about four railroads building duplicating facilities, copy of which letter will be mailed you today. Also advised Mr. Jones with RFC has referred matter to Railroad Division of RFC for investigation and Congressman Guyer quotes Mr. Merriam, director of RFC and also director of Santafe stating Santafe had board of directors meeting but took no action on matter A 55. JT RRM FWR OMA AND CHGO.

C. C. W.

[fol. 737] (Copy) (T-H)

Union Pacific Railroad Company

Telegram

Kansas City, Mo., Oct. 6, 1939.

A-2404-5403-Fairfax.

Mailgram

RRM Omaha.
FWR Omaha.

Further regarding Kansas City Food Terminal.

Invitations are being issued by Kansas City Food Terminal to Wholesale Produce Dealers, Brokers and Allied Food Dealers to attend and inspect Unit "A" now nearing completion, Saturday, October 14, at 11:00 A. M. and throughout the afternoon. Luncheon will be served at 1:00 o'clock under the canopy on sales platform, for purpose of demonstrating the modern facilities.

We are asking Mr. Warfel to fill the tracks back of Units A and D with refrigerator cars including some of various foreign lines emphasizing availability to all lines. This track has been completed from latter track to Jersey Creek and both tracks completed along Unit A. The cement mixer is being dismantled and tracks will be completed across Jersey Creek early part of week.

The produce trade continues be enthusiastic. Invitations will include dealers from Kansas City and such points as Topeka, Manhattan, Salina, Concordia, St. Joseph, Atchison, Leavenworth, Springfield, Joplin, Parsons, Sedalia, and other points where jobbers located in this general territory. Invitations will be distributed by Kansas City Brokers to the out of town dealers and jobbers in Kansas City territory, and may include some dealers in Omaha. Dealers anticipate 300 to 400 attend.

[fol. 738] (Copy) (T-H)

Telegram

1939 Oct. 10, P. M. 6:30.

410 2GN.

K. C. 10-407P.

FWR RRM OMA

Re: Food Terminal progress. Invitations have been mailed out by K. C. Brokers and Dealers in natural terri-

tory around K. C. and arrangements made to satisfactorily entertain trade beginning eleven o'clock Saturday on Market Site. Yesterday afternoon thirteen directors of Associated Grocers, big independent chain of K. C., Mo., met at New Food Terminal and served dinner at Fairfax Airport. They voted unanimously support new food terminal and expressed complete satisfaction with layout. Filling of Jersey Creek over sewer fully completed today and all constructions work progressing satisfactorily. Tracks will be installed on West Side Units A and D for storage empty cars Saturday during inspection by Produce Trade. We planning on getting refrigerator cars various lines to show facilities open to all railroads. Orig. Fwr. Rrm. Oma. Cy. Ges. K. C. F-525.

C. C. Weedin.

[fol. 739] (Copy) (T-II)

Union Pacific Railroad Company

Telegram

Omaha, Oct. 17, 1939.

ECS, OMAHA

WMJ, On Line
FWR, Omaha
Ges, Kans. Cy.

S-152. K. C. Food Terminal will open for business, Mon., Dec. 4. We will need some advertising in K. C. Star, the Kansan and the Packer particularly. It is all right to get started on that. Mr. Stanley will furnish us with his suggestions. Orig. ECS Oma, CY. WMJ On Line, FWR Oma, GES Kans. Cy. J-71.

J. L. H.

[fol. 740] (Copy) (T-II)

Kansas City, Mo.,
October 18, 1939.

Mr. E. C. Schmidt:

Referring to Mr. Haugh's wire, J-71, about advertising for the Kansas City Food Terminal.

When all the paving is completed between the buildings, it would be advisable to invite the Kansas City grocers, restaurant and hotel men and other patrons in Greater Kansas City and its trade area to inspect the food terminal. It would be best to fix the event for a Sunday and, according to schedule of progress, we could be ready for them on November 4th or November 11th. At that time it would be advisable to have a one page ad in the Star and probably a one page ad in the Kansan. The Packer is not generally read by grocers, but from a standpoint of dealer interest, we should have a small ad in the Packer for that occasion.

The Kansas City Star has called for a list of all general and sub-contractors on the job and is now soliciting ads for cooperative pages. The representative of the Star made two suggestions which were to have an eight-page black and white section or a four-page rotogravure section. The black and white ad is priced at $1,108 per page during week days and in excess of $1,400 per page on Sundays. The rotogravure section can only be obtained on Sundays and is priced at $1,800 per page. The architects, engineers, Board of Public Utilities, general contractors and sub-contractors will, in my opinion, generously support the Star. It will be more difficult for the Kansan and Journal to get ads but they will doubtless try. I believe it would be best to let them solicit the ads first and we could then gauge what we should do.

The Packer is extensively read by the produce industry and is a splendid medium for advertising the market. There are also some growers publications in the west that should be taken into account.

You will best understand what we should do in the way of advertising and publicity and these are simply suggestions which you may consider. Generally, it can be said that we are about to complete the biggest deal that has been put over in Kansas City in many years and, of course, we should make the most of it.

G. E. Stanley.

CC—Mr. W. M. Jeffers, Mr. J. L. Haugh, Mr. F. W. Robinson.

[fol. 741] PLAINTIFF'S EXHIBIT No. 16

Traffic File

T-III

Kansas City Food Terminal

[fol. 742] (Copy) (T-III)

Kansas City, Missouri,
November 13, 1939.

File: A-2404-1501-1.

Mr. W. A. McCune, Los Angeles, Calif.:

There is attached a memorandum with reference to prospective tenant in the Kansas City Food Terminal, operating under the name of Chip-Steak Company, 1152 East Pico, Los Angeles.

If this firm is interested, we believe satisfactory space might be provided in Unit "C" Building, which is next to the Federal Ice & Cold Storage Building, as outlined in the photograph attached to my circular letter of October 24th, explaining the facilities of the Kansas City Food Terminal, which terminal will be opened for business December 4th.

Will you please write us what you are able to develop.

(Signed) C. C. Weedin.

Cy.—Mr. R. R. Mitchell.

[fol. 743] (Copy) (T-III)

1939 Nov. 20, PM 5 51.

368 25GN
KC 20-425P

CWE OMA WMJ NAW JLH FWR RRM EJH CPC Omaha WHO SF AVK LA Hel Port AJS SL WWC Toronto Econ WTP Denver P S Smith Atlanta Ga Econ H. C. Yeger Boston Mass Econ WTB Chgo F B Swope Cinti O Econ C. J. Stegeman Cleveland O Econ A. R. Malcolm Detroit Mich Econ M R Bryan Milwaukee Wis Econ E. H. Hawley Minneapolis Minn Econ M Mann Phila Pa Econ J D Carter Pittsburgh Pa Econ M B Moore Sioux City Econ our circular letter Oct 21 about K. C. Food Terminal. Definite

plans have been made for public opening and celebration 3 P. M. Sunday Dec. 3rd and Terminal will be open for business following morning.

Since time short for handling invitations and other arrangements, please immediately furnish list of dealers, brokers, packer, important growers, and others to whom invitations should be sent, mailing original to me copy to RRM.

It is very desirable that we have a large representation and you are urged to contact important representatives of trade with view to interesting them in attending the opening of this Food Terminal, without doubt the most modern and complete in the entire country.

Further details of arrangements and program will promptly follow. A-29 JT WMJ NAW JLH FWR RRM EJH CPC CWE WHO GHW AVK HEL AJS WWC WTP PSS HCY WTB FBS CJS ARM MRB EHH MM JDC MBM Mail CY from KC to LM EGK FPS FFR LBB GES.

C. C. Weedin.

[fol. 744]

(Copy)

Mailgram

Kansas City, Missouri,
November 21, 1939.

Mr. G. H. Warfel,
Kansas City, Missouri:

Confirming discussion today, GES suggests for December 3 public opening K. C. Food Terminal, a 9000 series locomotive, probably 2 diners, and a nice observation car be set west side of Building "A"; that diners be in service for advertising purposes and accommodate those desiring meal service. Please also have the 2 tracks east of Buildings "B" and "C" filled with good clean refrigerator cars, some of which might well be of foreign line ownership. Also, it is understood there will be a number of cars of perishables placed on team tracks, preferably designated to be assigned for loads; other tracks to be pretty well filled with empty refrigerator cars for appearance. A-31.

(Signed) C. C. Weedin.

Cy.—Mr. G. E. Stanley, Mr. J. L. Haugh, Mr. F. W. Robinson, Mr. R. R. Mitchell, Mr. N. A. Williams.

[fol. 745] (Copy) (T-II)

Kansas City, Missouri,
November 30, 1939.

Mr. F. W. Robinson, Omaha:

There is attached a list of those expected to attend a dinner for Mr. Jeffers at the Kansas City Club, 6 p. m. Saturday evening. There will, of course, be some minor changes at the last minute, and a few additions, as we desire to have about one hundred, in addition to which there will be about 25 Union Pacific people.

There is also attached a list of Union Pacific people invited to attend Sat. afternoon party being given by Mr. Jack DeFeo of the DeFeo Fruit Company.

Mr. Gustin is also giving a little party at the Kansas City Club in Mr. Jeffer's honor, between 4 and 7 p. m., Sunday afternoon, and he expects to have about 100 in attendance, including the out-of-town Union Pacific people.

Mr. Haugh and Mr. Stanley are very much occupied with last minute negotiations with members of the trade. The facilities are progressing satisfactorily, and while the two-story building will not be entirely completed, it will be sufficiently completed to permit occupancy.

Some fruit and vegetable traffic is now being ordered to the Terminal, and a small amount has already been unloaded.

(Signed) C. C. Weedin.

[fol. 746] (Copy) (T-III)

1939 Dec. 6 P. M. 2 20.

194GN

KC 6-1P

LTW OMA

Maurer Packing Co. located First and Meyer Sts. Kansas City, Kas., served MP siding, which called team track, however, shipper loads direct from door to car. We very anxious locate this firm building "C" Food Terminal where distribution approximately 1 carload meat per day would be handled in switch service from this packing plant to Kans. City Food Terminal. Necessary have reasonable charge and must have very prompt information.

As we check it mop tariff 7833-E Supp 14-A names intrastate $13.20 from industry on Mopac to any point in Kans. City Food Terminal served by Mo. Pac. Which would mean cold storage track at present our charge in 105 between the 2 locations in terminal is $13.20 shipper thinks could load from 40000 to 50000 lbs. but feels charge should not exceed 2½ to 3 cents per hundred. Mop name $8.14 charge inbound from U. P. conn. to Maurer Pkg. Co. and might possibly agree publication same charge from plant to U. P. conn. Do you see any objection Mr. Maurer handling with Mo. Pac. asking for joint switching rate from packing plant to Kansas City Food Terminal of $15 per car, divided fifty fifty? Joint rate would be necessary reaching Building "C".

We very anxious have this worked out as Maurer would use about 4 units and would strengthen market. Spoke AJS about this yesterday and intrastate movement could be made by Mo. Pac. delivering traffic to us via south end Food Terminal avoid crossing State line advise a 55 . . . CCW.

[fol. 747] (Copy) (T-III)

Kansas City, Missouri,
December 12, 1939.

File: A-2404-1501-1.

Mr. R. R. Mitchell:

Further, with reference to Kansas City Food Terminal activities:

There is attached a memorandum showing the fruit and produce firms in the various produce buildings, as of today.

There is also attached clipping from the Kansas City Times with reference to finance arrangements worked out by the City to take care of moving expense, unexpired leases, etc.

While there has been considerable talk on the part of the principal opposition, including the U. S. Cold Storage and Merchants Bank, of plans for the Missouri side improvements, we have heard little more from the four railroads, other than the general impression they are going ahead with the yard improvement program. It has been stated the development will start January 15th, with a ceremony of some kind.

Our traffic representatives have been endeavoring to cooperate as opportunity affords by contacting grocerymen,

fruit dealers and others, from time to time, in an effort to interest them in making their purchases through the new terminal.

Most of the dealers in the Kansas City Food Terminal report business well up to expectations, and most of those in the new terminal have discontinued their operations on the Missouri side.

(Signed) C. C. Weedin.

[fol. 748] (Copy) (T-III)

Omaha, December 19, 1939.

Mr. H. B. Northcott:

Your memo December 18 file H with Reference to Radio advertising in Kansas City:

This Radio advertising, according to the understanding Mr. Haugh has with Mr. Jeffers, is to include traffic advertising in addition to material pertaining to the new food terminal. I thought I made this clear in my previous letter. Consequently, I do not think there is any question but what passenger Department advertising will bear its proportion of the expense. Naturally it is a special appropriation insofar as the Food Terminal is concerned.

(Signed) E. C. Schmidt.

CC—Mr. F. W. Robinson.

[fol. 749] (Copy) (T-III)

Omaha, December 23, 1939.

Mr. W. M. Jeffers:

Attached is a statement showing the volume of business handled by the jobbers and brokers who have either moved into their new facilities at the Kansas City Food Terminal or have arranged to move, and also the volume of business of those who have not yet arranged to move.

The cars handled by all lines is correct as to the grand total, but is estimated as to the division between jobbers and brokers.

No traffic is shown for the jobbers in building "B". However, many cars have already been unloaded in building "B" for these firms. They have been small, but with the new

facilities are becoming larger firms. This building will not handle as many cars as building "A", but will handle an average of at least five or six cars per day.

In addition to this business, there are 2,347 cars handled by the Union Pacific and 4,000 cars handled by all lines for other than Kansas City firms. This business will be handled at the principal established terminal, which will be the Kansas City Food Terminal.

The totals are as follows:

	Cars Handled by U.P.	Cars Handled by All Lines
Firms who have moved or have arranged to move to the Kansas City Food Terminal.....	5,084	20,920
Cars handled in 1938 by firms that are no longer in business and cars handled by other than Kansas City firms.....	2,753	4,500
Firms who have not yet arranged to move to the Kansas City Food Terminal.....	2,340	8,155
Total Cars.....	10,177	33,575

The number of firms who have already made arrangements in the Kansas City Food Terminal handle about two-thirds of the business. In addition to that, there is about 12% of the business that is open and will probably be handled at the Kansas City Food Terminal, leaving only 24% that has not yet been arranged for.

[fol. 750] O. C. Evans Company and Michael-Swanson-Brady are friendly and are interested in moving. If the city is able to make satisfactory arrangements with them, it will add another 4,500 cars, and reduce the business not yet arranged for to 11%. With 89% of the business at the Kansas City Food Terminal, many of the other smaller firms listed, except those who have their own warehouses, will move to the new terminal.

(Signed) J. L. Haugh.

cc—Mr. N. A. Williams, Mr. F. W. Robinson.

(Copy) (T-III)

[fol. 751] Jobbers and brokers who have either moved into their new facilities or have arranged to move.

Building "A"

Jobbers

	Unit No.	Cars Handled by U.P. Year 1938	Cars Handled by All Lines Year 1938
A. Robinson & Sons Fruit Co.	100–102	12	400
Quality Banana Co.	104	0	150
L. Gordon & Son Produce Co.	106	...	...
Mallin Produce Co.	108–110	87	250
H. Winer Commission Co.	112–114	63	400
Mike DeFeo	116	...	...
National Produce Co.	118	17	100
N. DeMarea & Sons	120–122	10	250
W. F. Helm Commission Co.	124–126	61	400
Pisciotta Fruit & Vegetable Co.	130	5	20
D'Angelo Celery House	132	...	...
DeFeo Fruit Co.	134–136–138	69	750
		324	2,720

Building "B"

Jobbers

Don Palermo	101	..	..
Carl Polito	103	..	..
Bramel Produce Co.	105	..	..
Watrous & Sons	107	..	..
Heart of American Growers Assn.	109–111	..	..
Midwest Potato Co.	113	..	..
Louis Adelman	115	..	..
William Walinov	117	..	..
Market Fruit Co.	119	..	..
P. C. Sirchia and J. S. Ferrante	121	..	..
Commercial Candy Co.	123	..	..
Henry Baum	127	..	..
David Hale	129	..	..
Dreyer-Sworak Commission Co.	131–133	..	..
Royal Fruit & Produce Co.	135	..	..
J. Pepperdine & Son	137	..	..
California Fruit Co.	139	..	..
		0	0

Building "C"

Jobbers

Shefford Cheese	211	...	...
Garret & Holmes	...	172	500

[fol. 752] Building "D"

Jobbers

Sarser Produce Co.	200–202	22	150
Junsberg & Son	204	..	..
Winnick Bros.	206	23	300
A. Feinberg & Son	212	49	150
L. Yukon & Sons	214–216	114	500
Palermo Produce Co.	224	..	..
Twin City Commission Co.	226–228	..	..
Henry Fishman & Co.	230	7	150
Cherrito Celery House	232	22	100
Litman Produce Co.	234–236	227	600

Building "D"

Brokers

Unit No.	Cars Handled by U.P. Year 1938	Cars Handled by All Lines Year 1938
Atlantic Commission Co.	250	1,000
Brown & Loe	311	2,500
California Fruit Growers	151	850
Cochrane Brokerage Co.	1,076	3,000
Cooksey, Graham Co.	128	850
Gonder, C. H.	214	600
Grovier-Starr Distributing Co.	109	900
Innes Bros.	335	500
McKee, Robert G.	50	300
Milgram Food Stores	74	150
Robinson, C. H. Co.	78	1,200
Schultz Brokerage Co.	413	600
Taube, L. S. & Co.	921	3,000
Ungerleider Company	14	300
Total	5,084	20,920

Omaha, Nebr.
Dec. 22, 1939

[fol. 753] Jobbers or handlers of fruits and vegetables who have not arranged to move to the Kansas City Food Terminal

	Cars Handled by U.P. Year 1938	Cars Handled by All Lines Year 1938
Black & Froman	30	125
Own their own warehouse served by trackage near old city market.		
Empire Storage Co.	25	100
This company owns large cold storage warehouse, not located in old city market district. There is no chance of moving them.		
Great Atlantic & Pacific Tea Co.	136	600
Own their own warehouse served by trackage. Not located in old city market district.		
Horowitz Produce Co.	89	200
Own their own building in old city market district.		
Kansas City Fruit Co.	26	50
In leased quarters old city market district.		
Kesting, H.	5	30
In leased building old city market.		
Kroger Company	138	550
Warehouse on Burlington tracks in North Kansas City.		
Lorber & Company	86	250
In leased building old city market.		
Maguire Urban Commission Co.	25	100
Own their own building old city market district.		
Michael-Swanson-Brady Co.	1,312	3,500
Own their own building served by trackage near old city market district.		
Reich, A. & Son	198	750
Lease 740 lineal feet of the Rock Island freight house, not in old city market district.		
[fol. 754]		
Singer, L. & Sons	137	500

	Cars Handled by U.P. Year 1938	Cars Handled by All Lines Year 1938
Own their own building served by trackage near old city market district.		
U. S. Cold Storage Co.	44	150
This is a large cold storage plant served by trackage, located near the old city market district.		
Zeigler & Company	21	250
Lease building in old city market.		
Evans, O. C. Company	68	1,000
Located on trackage near old city market.		
Total	2,340	8,155
Cars handled in 1938 by firms that are no longer in business and cars handled by other than Kansas City firms	2,753	4,500
Grand Total:	10,177	33,575

Omaha, Nebr.
December 22, 1939

[fol. 755] (Copy) (T-III)

Omaha, December 27, 1939

Mr. W. M. Jeffers:

Below are the number of cars of fruits and vegetables unloaded at Kansas City by the Union Pacific, as compared with the unloads of all other lines, for the first eleven months of this year, compared with the same period of last year:

	1939	1938	Inc. or Dec. (red)
Union Pacific	2,887	2,581	306
All Other Lines	7,326	8,274	949—(red print
Total All Lines	10,212	10,855	643—(red print

(Sgd.) J. L. Haugh.

CC—Mr. N. W. Williams, Mr. F. W. Robinson

[fol. 756] (Copy) (T-III)

Omaha—December 27, 1939

Mr. J. L. Haugh:

Referring to your letter of December 23rd, together with statement attached showing volume of business handled by the jobbers and brokers who have either moved into their new facilities at the Kansas City Food Terminal or who have or may arrange to do so.

After the leases that are now under consideration are definitely disposed of, and we have a more definite picture of the whole situation, I will appreciate a further statement from you as to what we might expect in the way of carload traffic.

W. M. Jeffers.

CC—Mr. F. W. Robinson, Mr. N. A. Williams.

[fol. 757] PLAINTIFF'S EXHIBIT No. 17

President's File

No. 912

Re: Cold Storage and Ice Facilities

(Vols. 1 & 2)

[fol. 758] (Copy)

Union Pacific Railroad Company

Telegram

Chgo 6 29 38 1016A

J, L. Haugh, Omaha:

Phone conversation yesterday regarding Kansas City matter. In addition company mentioned by you find City Ice & Fuel Co Chicago and Cleveland are very much interested. Mr Suhr President is out of town but talked to Mr Sinek Senior Vice Pres who will be glad to confer with you. Also talked to Mr McLain Vice Pres Railway Ice Co who also interested and will be glad confer with you at any time and place both companies are owners and operators plants throughout United States including Kansas City and financially responsible in every respect A 391

JTHA

[fol. 759] (Copy)

Union Pacific Railroad Company

Telegram

Hot Rush

Omaha, June 29, 1938

J. T. H. Armstrong, PFC Co., Chgo.:

A 391. Federal Cold Storage Co. has eight cold storage plants and handle this class of business. They would make admirable tenant. It is possible, too, at this time for them to get unusually good set-up.

I will be in Kansas City, Thursday and Friday. Suggest you have Mr. Sinek meet me there where he can see proposition on the ground.

Quick action is essential.

If Railway Ice Co. handle cold storage, they too would be all right, and suggest Mr. McLain also come to Kansas City. J-3

J. L. Haugh.

[fol. 760] (Copy)

Special Delivery

July 24, 1938

Mr. F. W. Charske, Chairman Executive Committee, New York

Dear Mr. Charske:

As a matter of information in connection with the Kansas City Food Terminal, am attaching herewith copy of a letter from Mayor Don C. McCombs, of Kansas City, Kansas, to the bankers, Stifel, Nicolaus & Co., Inc., dated July 12, 1938. This letter sets forth the estimated cost of the project to the City, upon which PWA grant is being requested, and also sets forth the estimated revenue.

The estimated cost of construction has been increased to include a cold storage building, a warehouse and auction building, a second story over one additional wholesalers' and brokers' market building, and to include contingencies,

interest during construction and miscellaneous items of expense. The estimate is very liberal.

The estimated income has been increased to cover revenues from the additional facilities to be provided.

The rental to be paid by the Union Pacific is the same as that which has been previously approved by the Executive Committee. The bankers now are asking for an increase in the maximum rental because of the difference between the average rental on the grain elevator and the lower than average rental that obtains during the first fifteen years of that lease. They also are basing their estimate upon estimated rental of $53,000 for the cold storage building.

A definite proposition will be received in Washington, Monday, from the Federal Cold Storage Co., a subsidiary of the City Ice & Fuel Co., which will determine the amount of rental available from the cold storage plant.

Mr. Haugh will meet the bankers in Washington, Monday, and advise further about the increase in rental required.

Yours very truly, (Signed) W. M. Jeffers.
JLH

[fol. 761] (Copy)

At Chicago,
July 29, 1938.

Mr. G. E. Stanley:

I talked today with Mr. Sinek and Mr. Rhode of the City Ice & Fuel Co. about cold storage plant in the Kansas City Food Terminal. They have been working upon it, but as yet do not have enough information to substantiate the rental that will be required.

I talked with them about the alfalfa storage that Mr. Small contemplates, about farmers' lockers and about the interest of the perishable merchants to have a cold storage plant located in the terminal. They have agreed to go into the matter further, and Mr. Sinek said that he would have Mr. Von Weise, one of their Vice Presidents at New York, who is entirely familiar with cold storage come to Kansas City early in the week, probably Tuesday, to see you and work up all the information obtainable there. I told him that you would help him make the several contacts neces-

sary—one is to contact Mr. Small, and ascertain exactly what he has in mind, how much space he requires and what he can pay for it; the second is to meet some of the representative farmers and ascertain what they will need in the way of ice and in the way of lockers for storage of their own products; the third is to contact the committee of wholesale produce dealers, headed by Mr. DeMarea, and ascertain about what their requirements will be.

You wrote me about one dealer, Louis Mallin, who paid $34,000 to the U. S. Cold Storage Company in one year for storage. He should, by all means, be contacted.

This is a new field for the City Ice & Fuel Co., and they are interested in developing it, but at the same time they want to be safe in making their proposal.

I believe this is the best company that we can get to operate the cold storage plant, and am hopeful that in their studies they can develop that there is sufficient business to justify the required rental.

I told them that the estimate of rental was $53,000 but believed they could secure the plant for this amount even though it was necessary to increase the size and thereby increase the cost of the plant.

They asked further about possibility of cooling lines to serve the wholesale dealers' units and also the brokers' offices. It seems to me that in building a facility such as is contemplated it ought to be modern in every respect, and if an arrangement can be worked out whereby satisfactory [fol. 762] compensation can be received for the use of the refrigeration that it should be installed in the offices, in dealers' basements and perhaps on the first floor of the dealers' units. It may be that some of the dealers do not wish to pay the additional amount for such cooling. Even then lines could be put to their places so that they could be extended upon request.

Mr. Sinek and Mr. Rhode agreed to hasten with the program.

This becomes very important, and I do hope they will get complete all of the information necessary to help them justify the required rental.

(Sgd.) J. L. Haugh.

[fol. 763] (Copy)

Omaha, August 10, 1938.

Mr. Jeffers:

I met with the officers of the City Ice & Fuel Co. in Chicago, Monday, the 8th, regarding lease of the cold storage warehouse in the Kansas City Food Terminal. Mr. William J. Sinek, Senior V.P. and Chairman of the Finance Committee; Mr. F. F. Rhode, V.P. and L. B. VonWeise V.P. of the City Company were there. Mr. E. E. Walters of the P.F.E. Co., Mr. Armstrong's assistant joined me in the negotiations. We started at ten o'clock in the morning, and did not conclude until five in the afternoon.

These points developed:

(1) There is a cold storage warehouse association of which City Ice & Fuel and U. S. Cold Storage, among others, are members. This association endeavors to block the construction of any new cold storage warehouses. The association is now meeting at St. Louis. The U. S. Cold Storage Co. will endeavor, at that meeting, to secure help in their effort to block the Kansas City Food Terminal. This, however, will not stop the City Ice & Fuel Co., although they recognize that if they take the new plant, there will be rate-cutting not only at Kansas City but at other points where they have warehouses that will affect them for two or three years.

(2) The U. S. Cold Storage Co. purchased the large cold storage plant owned by Armour & Co., formerly known as the Morris plant, and tore it down. Coincident with this wrecking, but not incidental or allied with it, the cold storage rates at Kansas City were increased. This irritated the wholesale produce dealers who were patrons of the U. S. Cold Storage Co. This bad feeling is growing because of efforts of the U. S. Cold Storage Co. to block the Kansas City Food Terminal.

(3) The City Ice & Fuel Co. have 163 ice manufacturing plants in many cities throughout the Middle West, East and South, with a total ice-making capacity of 24,000 tons daily and a total ice storage capacity of 915,000 tons. They have eight cold storage warehouses with a capacity of 16,500,000 cubic feet, located at Tulsa, St. Louis, Cincinnati, Cleveland,

Columbus, Pittsburgh, Hornell, N. Y. (near Buffalo) and Jersey City. They have four breweries at Cleveland, Ohio; Granite City, Ill.; Miami, Fla. and New Orleans, La., doing business as Pilsener Brewing Co., Wagner Brewing Co. and American Brewing Company. They are experienced, well-known, well-financed, and reliably operated.

(4) Their officers and directors have friendly relations and contacts with the larger produce shippers as well as other shippers. Mr. William Sinek, who is at the head of [fol. 764] the Chicago headquarters is a close personal friend of Joe Buker, Mr. Richard O'Hara, Mr. George Blair and many other men of traffic influence at Chicago.

(5) They estimate that it will take several years before the cold storage portion of the proposed Kansas City plant will operate on a profitable basis, and that in the meantime, their income, sufficient to pay the rental, must come from ice. Previous to this meeting, Mr. Von Weise (cold storage) and Mr. Rhode (ice service) were in Kansas City for several days where we put them in contact with the committee of produce dealers, the committee of farmers and several others who would be interested in cold storage and refrigeration. Each of these contacts was very helpful and indicated a very keen interest for cold storage at the Food Terminal. At present, however, apples and other perishables that usually are stored at Kansas City are being stored at the source of production. They figure that they can sell refrigeration for the cold storage rooms in the basements of each of the produce dealers' units; that they can rent 300 to 400 lockers for use of farmers; that there is a possibility in a year or two of working out cold storage for Mr. Small's alfalfa meal, and that there is a possibility of developing other business from poultry, butter and eggs as well as fresh fruits and vegetables.

(6) It is understood that if they take the lease, their engineers will help design the plant to accord with best practices and with their requirements.

(7) They own the Peoples Ice & Cold Storage Co. at Omaha which, prior to the building of the P.F.E. Council Bluffs ice plant, had the contract for icing P.F.E. cars. No purchases are now being made from Peoples. They asked that Peoples be given the requirements for Union Station

and P.F.E. ice used in Omaha, amounting to about 10,000 tons.

(8) This is an undertaking that will involve not only setting up a new organization at Kansas City at substantial expense, but they will also need to throw the general weight of their organization behind it, and pay a substantial rental for the facility. I told them that the rental would need to be $53,000 per annum, which would cover and include interest, depreciation, taxes and insurance, and that the tenant would be expected to make ordinary repairs. The owner (city) would make structure repairs, such as replacing the roof, when that is required. They had initially figured on $25,000 to $30,000 per annum for rental, so it was necessary to up their sights considerably to reach the figure of $53,000 which is the figure required in the set-up with the bankers who are to purchase the revenue bonds.

(9) The bankers are well acquainted with the City Ice & Fuel Co. officers and will consider a lease with them to be sound and basic for the purpose of covering interest and amortization.

[fol.765] (10) They are not willing to take a thirty-year lease. They are willing to take a fifteen-year lease. I will have to talk further with the bankers, who want the full thirty-year coverage.

(11) The City Ice & Fuel Co. made the following proposition:

It will take a lease on the cold storage plant at a rental of $53,000 per annum for ten or fifteen years depending upon the length of term of ice contract with the Union Pacific and P.F.E.; the City Ice & Fuel Co. to furnish all ice requirements for the Union Pacific and P.F.E. at Kansas City, with a minimum of 25,000 tons at price of $3.50 per ton in carloads at ice plant, $5.00 per ton for top icing; the Union Pacific and P.F.E. to purchase from Peoples Ice & Cold Storage Co. at Omaha a minimum of 10,000 tons either opaque or clear ice at $3.50 per ton in carloads at Peoples Ice Plant.

I am not yet prepared to recommend this proposition. The prices are reasonable. The minimum, however, at both Kansas City and Omaha is high. At Kansas City, we are now using 23,000 tons, and estimate that with the new facil-

ity we will use about 30,000 tons. I would feel safer if this minimum were 20,000 tons instead of 25,000 tons. At Omaha, 5,000 tons are used by the railroads at the depot and 5,000 tons are used by P.F.E. at the hold yard at 8th and Davenport, making a total of 10,000 tons. This ice is now being loaded at P.F.E. Council Bluffs Ice plant, and shipped to Omaha in carloads. By purchasing it from Peoples, we would take that much production from the P.F.E. Peoples' price is approximately the same as that paid to the P.F.E.

This is not concluded, and I believe a somewhat better proposition can be worked out. Am pleased at the progress made in securing a proposition from them, which is not far out of line.

Yesterday, I talked with Carl Swanson of Jerpe Commission Company, Omaha. He is interested enough to have it looked over. I do not hold much hope in this direction, but there is a faint possibility.

The ice company at Kansas City, who now have our ice contract, are so thoroughly tied up with the U. S. Cold Storage Co. that we are unable to get any proposition from them within reason.

(Signed) J. L. Haugh.

cc—Mr. F. W. Robinson, Mr. H. C. Mann.

[fol. 766] (Copy)

Kansas City, August 12, 1938.

Mr. J. L. Haugh:

Your report to Mr. Jeffers about negotiations with the City Ice and Fuel Company covers the field in fine shape. I am hopeful that we can work out a deal with this organization as it is in position to be of real help in establishing a good wholesale market here.

I also appreciate the fact that City Ice and Fuel Company have handled negotiations in an independent fashion and I do not believe they have been affected by the adverse attitude of the U. S. Cold Storage.

Mr. Poronto was in Kansas City a few days ago but made no call on me.

In order to help out on these negotiations, would it not be a good plan to lease the dry storage warehouse (estimated

revenue $5,000 per year) to the City Ice and Fuel Company, together with cold storage at annual rental of $53,000?

(Signed) G. E. Stanley.

[fol. 767] (Copy)

August 27, 1938.

Mr. J. T. H. Armstrong. Asst. G. M., Pacific Fruit Express Co., Chicago, Illinois.

Dear Mr. Armstrong:

Will appreciate it if you will follow up with Mr. Rhode the ice contract matter at Kansas City. The contract should be on a basis that we can justify and that you are willing to recommend.

We are expecting that PWA approval will be forthcoming in ten days or two weeks. When it is forthcoming, it will be necessary for us to act quickly.

PWA money will be available only when the bonds are sold, and the bonds cannot be sold until the leases are completed. The key lease is the one on the cold storage plant. I believe this cold storage and ice plant is essential to the successful operation of the market.

Yours very truly, (Signed) J. L. Haugh.

[fol. 768] (Copy)

WK-2

Pacific Fruit Express Company

Chicago, August 27, 1938.

Mr. J. L. Haugh, Vice President, Union Pacific Railroad Company, Omaha, Nebraska.

Dear Mr. Haugh:

Referring to our recent conference in Chicago with Messrs. Sinek and Rhode of the City Ice & Fuel Company on the question of our ice requirements at Kansas City:

I agree with you that a 25,000 ton minimum is out of order in view of the policy adopted some years ago by our owners agreeing to eliminate all minima from contracts. However, in this case it may be necessary to make an ex-

ception to the rule in view of the fact that it is a new proposition, with some uncertainties. In other words, we would necessarily have to make some concessions in order to interest the City Ice & Fuel Company to a point where we could work out a deal that would be satisfactory to all; and in this connection I feel that a 20,000 ton minimum would be more in line.

It is also my thought that consideration should be given to a graduated scale of prices based on the annual requirements of the Pacific Fruit Express Company and the Union Pacific, starting with a minimum of 20,000 tons at $3.25 per ton; 20,001 to 25,000 tons $3.20; 25,001 to 30,000 tons $3.10, and over 30,000 tons a flat rate of $3.00. I do not know whether the City Ice & Fuel Company would be agreeable to the above; however, I feel that the prices are reasonable and fair and would permit of an adequate return on their operations. Personally, I should like to see them name a flat price of $3.00 per ton f.o.b. plant as I believe that this would be compensatory to them in every way.

Very truly yours,

(Signed) J. T. H. Armstrong.

[fol. 769] (Copy)

Sept. 2, 1938.

Mr. J. T. H. Armstrong, Asst. G. M., Pacific Fruit Express Company, Chicago, Ill.

Dear Mr. Armstrong:

I have your letter of Aug. 27, file WK-2 and your wire of Sept. 1 about the Kansas City ice contract.

Mr. Sinek 'phoned me at Kansas City, yesterday, saying that he had seen you, and arrived at an understanding about this, subject however, to my approval.

The matter is in shape now so that it can be left until the P.W.A. approves the Kansas City project. When that approval is received, I would like to have another meeting with Messrs. Sinek, Rhode and yourself to arrive at a defiite rental and a definite agreement for the furnishing of ice.

In the event it can be accomplished, I would prefer as you, to have a flat price of $3.00 per ton f.o.b. plant.

Yours very truly,

(Signed) J. L. Haugh.

[fol. 770] (Copy)

Telegram

Omaha, Sept. 29, 1938.

H. Giddings, PFE, SF.

Mr. J. T. H. Armstrong has been working with me in considering new contract for purchase of ice at Kansas City particularly in connection with proposed Kansas City Food Terminal, which now seems assured.

We are now in position to negotiate agreement to conclusion. Is it agreeable to you for me to continue this with Mr. Armstrong. J-78.

J. L. Haugh.

[fol. 771] (Copy)

Telegram

S TN R

401 OGW

SF 9-30 38 NF

J. L. Haugh UP Oma

J 78 Any change in or renewal of present contract will have to be on competitive basis subject to approval both owners Have no objection you continue work with Armstrong in this matter being understood no commitment be made without reference of matter to this office so it can be considered with our principals in line with foregoing A 160

HG

[fol. 772] (Copy)

Omaha, October 15, 1938.

Mr. G. E. Stanley:

I had a long conference, yesterday, with Mr. Sinek, Mr. Rhode and Mr. Von Weise of the Federal Cold Storage Co., about lease of the cold storage building in the Kansas City Food Terminal. Mr. Armstrong, Mr. Shyte and Mr. Wall of the P. F. C. Co. also were present.

The best proposition we could get from them is a rental of $35,000 per annum, and if they make the lease they will

expect an ice contract from the Union Pacific at competitive prices. This falls $18,000 short of the rental set up by the bankers.

After the meeting with the Federal people, I talked with Mr. Ketcham and Mr. Casey of Stifel, Nicolaus & Co. The question was, how to make up this difference. They contend that the difference must be made up by other leases that will stand the test of security for the investors in the bonds.

In our set-up, it is proposed that the northerly block, 40 ft. x 450 ft., fronting on Minnesota Avenue, be leased to an oil company for automobile and truck service station, including scales. We set up the revenue at $10,000 per annum, anticipating that the lease would be on a gallonage royalty basis. If we could make this a straight lease, and make it to Phillips Petroleum Co. or to Socony-Vacuum Oil Co., that could be used in the basic rental.

Another source of added revenue would be for the Board of Public Utilities to increase its rental, and that could be done because the net earnings from the project, over and above the bond interest and amortization, will go into the city treasury. Based on our estimate of earnings, the bonds will be paid off in 15 to 20 years, so that it really should be no hardship on the Board of Public Utilities to make a minimum and maximum rental similar to the suggestion for the Union Pacific lease.

Will appreciate it if you will give this study, and we will talk it over when I see you.

(Sgd.) J. L. Haugh.

[foil. 773] (Copy)

Omaha, Oct. 17, 1938.

Mr. G. E. Stanley:

Mr. Von Weise, Vice President of the City Ice and Fuel Co., who will probably be the tenants of the cold storage plant in the Food Terminal, is also President of the Ball Ice Machine Co. That company has a corps of engineers, who are particularly equipped to design ice and cold storage plants. They will be glad to work with Mr. Gentry on this, and their fee will be not any higher and possibly less than the fee of any other engineers in that line that Mr. Gentry could get.

They understand the specifications will be so drawn that they will be open to competitive bidding, and that the awarding of the contracts for machinery will be on competitive bids.

(Sgd.) J. L. Haugh.

[fol. 774] (Copy)

Kansas City, October 21, 1938.

Mr. J. L. Haugh:

Mr. Robinson will be in Kansas City, Tuesday.

It occurred to me that it would be a good plan for you, Mr. Robinson, Mr. Armstrong and myself, to have a conference about the food terminal details and suggest some plan whereby Mr. Reed, Mr. Hanson, Mr. Fryer, and others who are familiar with an enterprise of the character involved coordinate efforts to move in the right direction.

If this is agreeable to you please suggest to Mr. Robinson that he have Mr. Reed and Mr. Hanson present.

(Sgd.) G. E. Stanley.

[fol. 775] (Copy)

December 9, 1938.
912

Mr. F. W. Charske, Chairman Executive Committee, New York.

Dear Mr. Charske:

We have studied perishable terminals that are now operating in Chicago, Cleveland, Buffalo and other cities, and have become convinced that a cold storage plant is a necessary and essential adjunct of a perishable terminal. It is particularly necessary at Kansas City in the development of a completely new food terminal. The shippers must have available for use a cold storage plant where perishables, handled in transit and perishables distributed locally, may be stored.

In order to secure the benefits from a cold storage plant immediately for the development of the Food Terminal, it is necessary to have an operator of the cold storage plant who has broad, national contacts and who has an organiza-

tion built up to aggressively solicit and secure the handling of perishables.

A cold storage and ice plant has been included in the Kansas City Food Terminal plans, at an estimated cost of $658,660. The ice plant is an auxiliary of the cold storage plant, which can be operated with the same mechanical equipment.

The Federal Cold Storage Company is interested in leasing the cold storage and ice plant, providing it can also furnish the Union Pacific and P. F. E. requirements of ice at Kansas City and can furnish through its affiliate, the Peoples' Ice and Cold Storage Co. at Omaha, the ice required by the railroad companies at the Union Station in Omaha.

We have been negotiating with the officers of the Federal Company for several months, and have now arrived at a proposition which they are willing to recommend, and which we believe to be entirely justifiable to the City, Union Pacific and the P. F. E. Co.

The lease of the plant, which is agreeable to the City, is for a term of 15 years with a rental of $35,000 per annum for the first five years, $37,500 for the second five years, and $40,000 for the third five years, the lessee to take care of all ordinary maintenance at its own expense, the City to make structural renewals or repairs.

[fol. 776] The City estimates that the Food Terminal will be firmly established in 15 years and that the ice plant will command a rental beyond the 15 years at least as much or more than the rental for the last five years of the initial 15-year period.

The average rental is equivalent to 10.4% upon the city's proportion of the investment, which is covered by bonds, whereas 6% is sufficient to cover interest and amortization.

The Federal Cold Storage Company is a wholly-owned subsidiary of the City Ice and Fuel Company, of Cleveland, Ohio. It now owns eight cold storage plants located at Tulsa, St. Louis, Cleveland, Cincinnati, Buffalo, Pittsburgh and Jersey City. It is an unusually strong, active company, with extensive contacts in the fruit, vegetable and produce business. It is the most productive company in the United States that could be secured to handle cold storage business in the Food Terminal. The operation of this cold storage plant by such a company is important and essential to the success of the Food Terminal project from

the standpoint of securing the right kind of wholesale dealer tenants for the development of rail traffic.

The Union Pacific and P. F. E. Company are now securing their ice from the City Ice Company of Kansas City at a price of $3.50 per ton f. o. b. the ice platform. It will be necessary, in connection with extension of the Armstrong yard that will have to be made in the next year or two, to move this plant, and unless a contract is made similar to the one now proposed with the Federal Cold Storage Company, it will be necessary for the P. F. E. Company to construct a new ice plant at a cost of approximately $200,000.

An agreement has been negotiated with the Federal Cold Storage Co. on the following terms, which will eliminate the need for construction of an ice plant by the P. F. E. Company.

(1) Federal Cold Storage Co. to furnish all ice requirements of the U. P. and P. F. E. Co. at Kansas City.

(2) Term of contract ..... 15 years.

(3) Minimum ice to be purchased per year .. 20,000 tons.

[fol. 777] (4) Price of ice in carloads at cold storage plant:

First 20,000 tons	$3.25 per ton
Next 5,000 tons	3.20 per ton
Next 5,000 tons	3.10 per ton
All over 30,000 tons	3.00 per ton

(5) Price of ice in bunkers of cars on team tracks:

First 1,000 tons	$5.00 per ton
Next 1,000 tons	4.75 per ton
Next 1,000 tons	4.50 per ton
All over 3,000 tons	4.25 per ton

(6) Crushed ice in bodies of cars ..... $5.00 per ton

(7) Ice delivered to miscellaneous facilities at Armstrong in truck load lots, for drinking water purposes .. $3.65 per ton

The term of the contract is governed by the commitment that the cold storage company must make on the lease of the plant facilities.

The annual minimum will not penalize the purchasers because during the low of 1937, the P. F. E. purchased

14,208 tons, and the Union Pacific purchased 8,521 tons, a total for both companies of 22,729 tons. It is estimated that when the new perishable Food Terminal is in operation there will be at least 30,000 tons of ice used annually. Based on the use for the full year of 1937, 62½% is by P. F. E. and 37½% by Union Pacific.

The requirements of the Omaha Union Station and the Union Pacific at the station, for drinking water, are about 64,000 tons annually. The Peoples' Ice and Cold Storage Company will agree to furnish 5,000 tons of this ice at a price of $3.40 per ton in carload lots, f.o.b. ice plant, or $3.65 per ton delivered in trucks at the points of use at the depot; the term of contract to be seven years. The price is a few cents lower per ton than Union Pacific is now paying other ice companies. It is paying the Metropolitan Utilities District $4.00 per ton delivered and the P. F. E. Company $3.41 per ton f.o.b. the Council Bluffs Ice Plant.

I recommend approval by Union Pacific to the ice contract at Kansas City and to the one at Omaha and assent by the Union Pacific to P. F. E. Company joining in the contract at Kansas City. As soon as action is taken by our company, we will have this presented by the P. F. E. to the Southern Pacific.

Yours very truly, (Signed) Wm. Jeffers.

JLH

[fol. 778] (Copy)

Red Hot Rush

KC 12 14 38 937A.

San Fran., JLH., Oma. JTHA Chgo.:

Referring to my letter Oct. 17 covering our conference with City Ice and Fuel Company in connection with the proposed produce terminal at Kansas City, Kansas, and the possibility of their supplying Pacific Fruit Express Company's and Union Pacific's ice requirements.

Union Pacific will soon be obliged to extend its Armstrong Yard which work was started in 1931 and then discontinued temporarily. This extension requires the relocation of the PFE platform and the adjoining City Ice Co. ice plant. Platform will be moved easterly about one and one-half miles and serve two tracks instead of one as at present. City Ice Co. plant will have to be demolished and either a

plant built at new location by PFE or contract made for furnishing ice from plant from which ice will have to be hauled in cars. Relocation of PFE icing platform is not contingent upon this ice contract but will be required in connection with yard changes by Union Pacific. It will be reported separately later when plans are completed.

Present contract with City Ice Co. made some fifteen years ago, expires Dec. 31 next, and provides for Ice Co. to furnish ice over PFE platform with PFE machinery in bunkers of cars at $3.50 per ton from its adjoining ice plant. This is very low price and they have advised me that it will be necessary to increase cost per ton to $3.65, and possibly more dependent upon application of new labor laws.

Kansas City, Kansas, is constructing a large fruit and vegetable terminal about one mile north of Armstrong yard, served by Union Pacific on its Fairfax lead, and is leasing the cold storage and ice plant in the terminal to the Federal Cold Storage Co., a wholly owned subsidiary of the City Ice and Fuel Co. of Cleveland, Ohio. This company owns eight cold storage plants and one hundred and sixty-three ice plants. Because of their nationwide operations they will be extremely helpful in influencing business to our lines. Their terms are as follows, which will eliminate the need for construction of an ice plant by the PFE Company and which is not desirable:

(1) Federal Cold Storage to furnish all ice requirements of the UP and PFE at Kansas City.

(2) Term of contract fifteen years.

(3) Minimum ice to be purchased per year—20,000 tons.

[fol. 779] (4) Price of ice f.o.b. cars at Cold Storage Plant:

first 20,000 tons	$3.25 per ton
next 5,000 tons	3.20 per ton
next 5,000 tons	3.10 per ton
all over 30,000 tons	3.00 per ton

(5) Price of ice in bunkers of cars on Team Track:

first 1,000 tons	$5.00 per ton
next 1,000 tons	4.75 per ton
next 1,000 tons	4.50 per ton
all over 3,000 tons	4.25 per ton

(6) Crushed ice in bodies of cars, $5.00 per ton.

(7) Ice delivered to miscellaneous facilities at Armstrong Yard in truck lots for drinking water purposes—$3.65 per ton.

The annual minimum will not penalize purchasers because during the low of 1937 the PFE purchased 14,208 tons and Union Pacific 8,521 tons, total for both companies 22,729 tons. It is estimated that when new perishable food terminal is in operation there will be at least 30,000 tons of ice used annually.

On account of uncertainty of labor conditions, cost of materials, etc., the above prices were the best we could negotiate and are lower than what the Missouri Pacific are paying the same Company for all their ice requirements at Kansas City.

In further consideration of the above prices, the Federal Cold Storage Co. insisted that 5,000 tons of the ice requirements of Omaha Union Station and Union Pacific at station for drinking water purposes, etc., be furnished by Peoples' Ice and Cold Storage Co. of Omaha, another subsidiary of the City Ice and Fuel Co. Contract to run for seven years. Annual requirements are about 6,400 tons, supplied principally from PFE Council Bluffs plant. This is not now covered by contract and does not require approval by PFE. It is being reported so that you and Southern Pacific will be fully informed.

The Union Pacific are very anxious to conclude negotiations as soon as possible and would like to have your approval before proceeding with drawing up contract with Federal Cold Storage Company. Appreciate your immediate consideration and approval of PFE joining Union Pacific and concluding contract for ice requirements at Kansas City on above basis. A-1 Orig. HG Cy JLH JTHA.

J. T. H. Armstrong.

[fol. 780] (Copy)

236SAC

Omaha, 12/14/38, 4:08 PM.

W. M. Jeffers, LA:

Mr. Charske talked with me over 'phone about agreement with Federal Cold Storage and asked several questions

which I answered. He indicated that matter would be approved. Received telegram from him yesterday, asking certain other questions which have been satisfactorily answered.

Mr. Charske said we should advise PFE and SP about purchase of five thousand tons of ice at Omaha because that would be taken away from PFE.

J. T. H. Armstrong met me at KC yesterday and sent message to Mr. Giddings recommending ice contract at KC and advising him of proposed contract at Omaha, which is as follows:

Qt. Referring to my letter Oct. 17 covering our conference with City Ice and Fuel Co. in connection with proposed produce terminal at KC, Ks., and the possibility of their supplying Pacific Fruit Express Company's and Union Pacific's ice requirements.

Union Pacific will soon be obliged to extend its Armstrong Yard which work was started in 1931 and then discontinued temporarily. This extension requires the relocation of the PFE platform and the adjoining City Ice Co. Ice Plant. Platform will be moved easterly about one and one-half miles and serve two tracks instead of one as at present. City Ice Co. Plant will have to be demolished and either a plant built at new location by PFE or contract made for furnishing ice from plant from which ice will have to be hauled in cars. Relocation of PFE icing platform is not contingent upon this ice contract but will be required in connection with yard changes by Union Pacific. It will be reported separately later when plans are completed.

Present contract with City Ice Co. made some fifteen years ago, expires Dec. 31 next, and provides for Ice Company to furnish ice over PFE platform with PFE machinery in bunkers of cars at $3.50 per ton from its adjoining Ice Plant. This is very low price and they have advised me that it will be necessary to increase cost per ton to $3.65, and possibly more dependent upon application of new labor laws.

Kansas City, Kansas, is constructing a large fruit and vegetable terminal about one mile north of Armstrong Yard, served by Union Pacific on its Fairfax Lead, and is leasing the Cold Storage and Ice Plant in the terminal to the Federal Cold Storage Co., a wholly owned subsidiary of City Ice and Fuel Co. of Cleveland, Ohio. This company

owns eight cold storage plants and one hundred sixty-three [fol. 781] ice plants. Because of their nationwide operations they will be extremely helpful in influencing business to our lines. Their terms are as follows, which will eliminate the need for construction of an ice plant by PFE Co. and which is not desirable:

(1) Federal Cold Storage to furnish all ice requirements of UP and PFE at Kansas City.

(2) Term of contract fifteen years.

(3) Minimum ice to be purchased per year—20,000 tons.

(4) Price of ice f.o.b. cars at Cold Storage Plant:

first 20,000 tons	$3.25 per ton
next 5,000 tons	3.20 per ton
next 5,000 tons	3.10 per ton
all over 30,000 tons	3.00 per ton

(5) Price of ice in bunkers of cars on Team Track:

first 1,000 tons	$5.00 per ton
next 1,000 tons	4.75 per ton
next 1,000 tons	4.50 per ton
all over 3,000 tons	4.25 per ton

(6) Crushed ice in bodies of cars $5.00 per ton.

(7) Ice delivered to miscellaneous facilities at Armstrong Yard in truck lots for drinking water purposes $3.65 per ton.

The annual minimum will not penalize purchasers because during the low of 1937 the PFE purchased 14,208 tons and Union Pacific 8,521 tons, total for both companies 22,729 tons. It is estimated that when new perishable food terminal is in operation there will be at least 30,000 tons of ice used annually.

On account of uncertainty of labor conditions, cost of materials, etc., the above prices were the best we could negotiate and are lower than what Missouri Pacific are paying same company for all their ice requirements at Kansas City.

In further consideration of the above prices, the Federal Cold Storage Co. insisted that 5,000 tons of the ice requirements of Omaha Union Station and Union Pacific

at Station for drinking water purposes, etc., be furnished by Peoples' Ice and Cold Storage Co. of Omaha, another subsidiary of the City Ice and Fuel Co. Contract to run for seven years. Annual requirements are about 6,400 tons, supplied principally from PFE Co. Bluffs Plant. This is not now covered by contract and does not require approval [fol. 782] by PFE. It is being reported so that you and Southern Pacific will be fully informed.

The Union Pacific are very anxious to conclude negotiations as soon as possible and would like to have your approval before proceeding with drawing up contract with Federal Cold Storage Co. Appreciate your immediate consideration and approval of PFE joining Union Pacific and concluding contract for ice requirements at Kansas City on above basis. Unqt.

Have wired Mr. McDonald as follows over your signature:

Qt. Mr. Giddings will wire us about proposed ice contract at Kansas City with Federal Cold Storage Co.—

City of Kansas City, Kansas has started construction of a complete fruit and vegetable market, costing $3,800,000. Union Pacific will construct and operate the necessary team track yard to serve this market.

We believe it to be an important traffic producer for SP, UP and PFE.

Federal Cold Storage Co. is leasing cold storage plant in the terminal and will be equipped to furnish UP and PFE ice requirements. This will save PFE the building of new ice plant at cost of approximately $200,000, or contracting with another company at equal or higher prices for its ice supply.

In order to secure this contract it is necessary to make agreement for fifteen years and to provide minimum of 200,000 tons, apportioned 62½ per cent PFE and 37½ per cent UP.

Also, it is necessary to agree to purchase 5,000 tons annually for seven years by UP at Omaha from Peoples Ice and Cold Storage Co., another wholly owned subsidiary of City Ice and Fuel Co. For past few years, ice at Omaha has been furnished by PFE Co from its Co Bluffs plant.

The Federal Co. is wholly-owned subsidiary of City Ice and Fuel Co. of Cleveland. The latter company and its sub-

sidiaries have eight large cold storage plants at Tulsa, St. Louis, Cleveland, Cincinnati, Pittsburgh, Buffalo and Jersey City. They have 163 ice plants and furnish all requirements for New York Central as well as many other lines. Offices of this company are active and aggressive in development of perishable traffic, and have splendid contacts. We believe they will be very helpful in developing traffic for SP and UP.

Will appreciate very much your approval. J 256 Unqt.

J. L. Haugh.

[fol. 783] (Copy)

Union Pacific Railroad Company

Telegram

155-2UDK Denver 12 15 38 216P

WMJ LA PR Oma

Mr Charske phoned this morning advising that Mr Henry W. Clark, in reviewing cold storage proposition, cannot give a clearance to it because of the guarantee nature of the contracts. I told him that this was exceedingly important and asked him to talk further with Mr Clark and advise what modification would be necessary to relieve the legal point. He agreed to do this and advise further. Mr. Bockes had previously reviewed it and advised that it was legally defensible. Orig WMJ cy PR J 75

J. L. Haugh.

[fol. 784] (Copy)

Union Pacific Railroad Company

Telegram

On Line, Dec 18, 1938

F W Charske, New York
PR, Omaha

Orig FWC NY cy PR Oma

No. 651 I have the following from Mr. Haugh:

Qt: J-85. Have not yet heard from Mr McDonald. I asked Mr J T H Armstrong to talk with Mr Sinek which he did this morning. Mr. Sinek said that he absolutely could not

waive the minimum at KC because he had a minimum in every contract that he has with railroads and he has a very large number. Most of his 163 ice plants serve railroads. He further said that as far as Omaha is concerned, he would be willing to detach that from the contract if we would give our word that we would take some ice from him here and later make a five-year contract. Mr. Sinek had already talked with Standard Brands to get their egg business and with other national concerns to develop traffic for our line and business for the Food Terminal. This cold storage plant is very important to success of Food Terminal and to production of traffic for UP. J-34. ENQT.

Personally I feel that if the project is to succeed as we hoped it would, it is necessary that the cold storage facilities be provided at this time, otherwise the resistance of Kansas City, Missouri and the other railroads may be an important factor. Sinek is a big operator and he has an efficient, effective organization. However, if you still feel we cannot meet his views as to minimums it would seem that it is futile to discuss further with him the Omaha situation. I would appreciate your further reaction before definitely dropping the negotiations with him. J-17.

W. M. Jeffers.

[fol. 785] (Copy)

Union Pacific Railroad Company

Telegram

New York N. Y. 105 PM Dec 19 1938

5 OCA NB W

W M Jeffers
Sun Valley Idaho

J-17. Regret cannot go further than stated in my No 651 Conclusions stated therein were arrived at after protracted and sympathetic consideration of the matter. No 662 Joint WMJ on line & Omaha

F W Charske
1239 Pm.

[fol. 786] (Copy)

December 31, 1938.

Dear Mr. Gray:

Regarding the cold storage matter that I talk with you about:

Mr. William Sinek, Executive Vice President of the City Ice & Fuel Co., with whom I have been negotiating, is at Miami and will return the latter part of next week. Mr. Jeffers is at Miami. They both agreed to talk further about the matter. When Mr. Sinek gets back to Chicago, I will have a further conference with him in an effort to work the situation out in a manner acceptable to the Committee.

You spoke of me coming to New York early next week, but I think in view of this it would be better to wait until I have had a chance to talk further with Mr. Sinek.

The Denver situation is reverse from Kansas City. At Denver, we are obliged to step in and protect our own traffic against incursion by the C&S and Santa Fe.

With best wishes for a most Happy and Prosperous New Year.

Yours sincerely, (Sgd.) J. L. Haugh.

Mr. C. R. Gray
New York.

[fol. 787] (Copy)

Union Pacific Railroad Company

Telegram

Omaha, Jan. 26, 1939

W J Sinek
City Ice & Fuel Co.
33 South Clark St.
Chicago.

Mayor McCombs, Board of City Commissioners, City Attorney Skinner, and possibly Mr. Breidenthal would like to meet you in Chicago, next Wednesday morning. Please advise if that would be convenient.

J L Haugh.

[fol. 788] (Copy)

1/26/39

Western Union

CA 496 18—Chicago Ill 26 228 P

J L Haugh
Union Pacific Railway Co Omaha Nebr

Answering next Wednesday fine Have reserved house on roof Sherman so would appreciate all going there on arrival.

William J Sinek

[fol. 789] (Copy)

March 14, 1939.

Mr. William Sinek, President, The City Ice & Fuel Co., 33 So. Clark St., Chicago, Ill.

My Dear Mr. Sinek:

I have your letter of March 13th.

The City is ready to authorize the execution of agreement that you have signed. The next Board meeting will be Thursday at 10:00 A. M. when the authorizing ordinance will be introduced by Mayor McCombs. That means the publicity will break and I want you to get all the advantages possible out of the publicity.

It would be appropriate for Mayor McCombs to make the announcement, simply stating that he has negotiated with your company and he holds an executed lease whereby you will lease for a term of fifteen years a new modern, up to date cold storage plant that will be immediately constructed. The announcement should contain information about the size, type and use of the facility. The public will associate this cold storage plant with the market and the ice making facilities will be a minor concern to the public. I would, therefore, like to see the extent of your operations included in the story showing, first, that your company is the largest cold storage operators in the United States; that you operate over 100 railway icing stations, breweries, etc.

The public will be very much interested in your plans for a locker storage. Mr. McCoy informed me you were giving consideration for a modern type of locker and explained that the lockers would be lifted from the floor and would make it pleasant for customers to go into the room. The

announcement should contain information about the number of lockers that will be initially provided and also as to how many might be installed at a later date.

We have a publicity man by the name of J. O. Young. His office is on the sixth floor of the Law Building so I would suggest that promptly upon receipt of this letter that you write to Mr. Young, sending the letter special delivery. In that way Mr. Young will receive the letter Thursday morning and he can go direct to the City Hall and can cooperate with Mayor McCombs in preparing the right kind of announcement.

Other things will occur to you about what you want in the announcement and you can depend on Mayor McCombs, who is your friend, to cooperate with you in every way possible. The entire City Board feels very happy about making this deal with you and the announcement will be received with much interest by the people here.

[fol. 790] If you want to make any direct quotations about the use of the cold storage plant, showing that it would be used for produce moving in transit or, in other words, get some general advertising, I am sure that will also be agreeable to Mayor McCombs. I think the story should emphasize the fact that this will be a real modern facility and our publicity man, and also Mayor McCombs, will have to depend on you to furnish them any particular information that you want to emphasize.

I think it would be well to state that you will organize the Federal Cold Storage Company under the laws of Kansas, that your cold storage plant here will be known as the Federal, or the same name that you operate from coast to coast. I think it important that you particularly emphasize the fact that you operate from Los Angeles to New York and would not care if you even state something about the importance of Kansas City as a gateway and that this is a strategic place for a large national wholesale food terminal.

The size and the mechanical features of the building can be covered by Joseph Radotinsky, architect, to whom I also am sending a copy of this letter.

With all good wishes, I am,

Very truly yours, (Sgd.) G. E. Stanley.

CC—Mayor Don C. McCombs, Mr. Joseph Radotinsky, Mr. J. L. Haugh, Mr. J. O. Young.

Dictated..

[fol. 791] Mr. J. O. Young:

This is a very important announcement. Please be on the look-out for the letter from Mr. Sinek who just told me over the telephone that he was ready for the announcement to be made. He wants to give all possible credit to Mayor McCombs, but at the same time it should be handled from a business standpoint instead of a political standpoint. The lease is for fifteen years at an annual rental of $37,500, so you can see it gets into a pretty large item. The P. W. A. pays 45% of the cost and the balance will be financed by the proceeds of the revenue bonds that can not be supported by taxation.

It gives you a fine opportunity to revive the whole market story and I would appreciate it if you would give it some very deliberate study promptly upon receipt of this letter in order that the best possible announcement can be made Thursday. I am going to Topeka tonight and if I do not get back tomorrow you can go over the story with Joe Mueller and possibly Mr. Weedin.

I am advised that there has not been a large cold storage plant built for the last ten years and, of course, they have made great advances in quick freezing, locker storage and all improvements in the business so you should particularly emphasize that this will be something brand new and modern.

The City Ice & Fuel Company is a parent company but the cold storage plants are operated under the name of the Federal Cold Storage Company. There is no real picture of the cold storage building available except that shown on the model but you can get complete information from Joseph Radotinsky and can later obtain a perspective for publication.

G. E. Stanley.

[fol. 792] (Copy)

May 13, 1939.

Mr. L. B. von Weise, Seaboard Term. and Refrig. Co., 99 Hudson St., New York City, N. Y.

Dear Mr. von Weise:

Following conversation with you over telephone at St. Louis yesterday I talked with Mr. Radotinsky this morning. The bids will be received on the cold storage structure at

10:00 A. M., May 23rd, at which time I hope you can be here.

The invitation to bidders did not contemplate taking an alternate on an additional floor but Mr. Radotinsky just agreed that he would put out an addendum and ask for alternate bids on an additional story. In this way we will have the whole picture and after the bids are received we can find out what can be done. I am very anxious to see you get everything possible for your money.

On Wednesday evening last we had a meeting with all the merchants and brokers of Kansas City. There were about 150 present. I see no hitch whatsoever in our program and every day the prospects for the market look better. The other buildings are getting a good start.

So far, I learned that Patti Construction Company, L. Dreier & Son, Swenson Construction, Winn-Senter Construction Company, Collins Construction Company, Fogel Construction Company, all of Kansas City, and Childers Construction Company of Jefferson City, Mo., are figuring the building. If you have anyone who would be interested in bidding the building please get them busy.

Very truly yours, (Sgd.) G. E. Stanley.

CC—Mr. J. L. Haugh, Mr. William Sinek.

[fol. 793] (Copy)

Pacific Fruit Express Company

120 Broadway, New York

April 15, 1939.

Mr. A. D. McDonald, President, Southern Pacific Company, San Francisco, California. Mr. W. M. Jeffers, President, Union Pacific Railroad Company, Omaha, Nebraska.

Dear Sirs:

The Board of Directors of Pacific Fruit Express Company at meeting held on April 13, 1939, ratified Vice President and General Manager Giddings' action in executing on behalf of the Express Company 15-year agreement between The City Ice & Fuel Company, Union Pacific Railroad Company, and Pacific Fruit Express Company dated February 13, 1939, covering the furnishing and delivery of ice at Kansas City, Kansas, and Kansas City, Missouri, in

form submitted with his letter of March 7, 1939, to President Tracy.

Very truly yours, (Sgd.) E. M. Kindler, Secretary.

CC—Messrs. Hale Holden, F. W. Charske, H. Giddings, Roy G. Hillebrand, C. H. Weston.

[fol. 794] (Copy)

Union Pacific Railroad Company

120 Broadway, New York

May 25, 1939.

Mr. L. J. Tracy, President, Pacific Fruit Express Company, 120 Broadway, New York, N. Y.

Dear Sir:

The Executive Committee of Union Pacific Railroad Company today assented to Pacific Fruit Express Company A. F. E. Request No. 18, in amount $55,498.

Yours very truly, (Sgd.) E. G. Smith, Secretary.

CC—Mr. W. M. Jeffers, Mr. W. F. Bull.

[fol. 795] (Copy)

Telegram

128U 1939 May 26 PM 12:00

KC 26 1110A

J. L. Haugh, Denver:

City yesterday passed resolution of award of contract to Interstate Construction Co. and Frick Constr. Co. for cold storage unit including 5 stories. Matter now up for formal contract and PWA approval and would like know if satisfactory to you on basis of increased rent. Personally think it all right but think Mr. Sinek should give us good figure for air conditioning office unit and Marchants refrigerators on basis his contract with City. Cost of refrigeration something would like go into with you after you finished at Denver. S 198

GES.

[fol. 796] (Copy)

Telegram

Denver, May 26, 1939.

GES, Kans Cy:

S-198. I agree on five-story cold storage unit at increased rental covered by your S-194. Will go over this with you latter part of next week in KansCy. J-90.

JLH.

[fol. 797] (Copy)

At Denver, May 27, 1939

Mr. W. M. Jeffers:

The City of Kansas City, Kansas, has received bids for construction of cold storage plant at the Kansas City Food Terminal.

Based on these bids, the total estimated cost is $690,-368, for a five-story building.

The amount allocated in the PWA grant was $659,739 an increase in cost over the allocation of $30,629.

The Federal Cold Storage Company, lessee, has agreed to pay an additional rental of $1,000 per year for the first five years; $1,500 next five years, and $2,241.92 for the last five years. The City has agreed to this, and contracts will be awarded on the above basis.

JLH.

[fol. 798] (Copy)

At Denver, July 19, 1939.

Fairbanks-Morse Company, Chicago, Illinois.

Frick Refrigerating Equipment Co., Waynesboro, Pennsylvania.

Gentlemen:

The Union Pacific is very much interested in the early completion of improvements being built by the City of Kansas City, Kansas, to form the Kansas City Food Terminal.

While at Kansas City, yesterday, I reviewed the work, and found that the Interstate Construction Company that has the contract for the construction of the cold storage plant, has not yet received from you the plans for motor

and compressor foundations. It is very important that these be expedited in every possible way. Won't you kindly hasten these plans so that the foundations can be installed without delay to the rest of the work.

Yours very truly, (Sgd.) J. L. Haugh.

bc—Mr. G. E. Stanley

[fol. 799] (Copy)

Pacific Fruit Express Company WK-2

Chicago, July 19, 1939.

Mr. F. C. MacMillan, President, City Ice Company of Kansas City, 21st & Campbell Streets, Kansas City, Missouri

Dear Mr. MacMillan:

This has reference to agreement between the City Ice Company of Kansas City, the Union Pacific Railroad Company, and the Pacific Fruit Express Company dated November 17th, 1932, and extension rider dated December 30th, 1938.

Under the terms of the extension rider above mentioned we desire to exercise our right to terminate this agreement effective with ninety days subsequent to July 20th, 1939.

I shall appreciate your acknowledgement hereof.

Very truly yours, (Sgd.) J. T. H. Armstrong.

EEW

cc—Mr. J. L. Haugh
bcc—Mr. G. G. Wall, Mr. E. B. Fryer

[fol. 800] (Copy)

Pacific Fruit Express Company

Chicago, July 19, 1939.

File No. WK-2

Mr. W. J. Sinek, Vice-President, City Ice & Fuel Company, 33 South Clark Street, Chicago, Illinois

Dear Mr. Sinek:

This has reference to agreement between the City Ice & Fuel Company, the Union Pacific Railroad Company, and the Pacific Fruit Express Company dated February 13th, 1939.

We desire to exercise the terms of the above agreement as set forth under Section 17 thereof, effective ninety days

subsequent to July 20th, 1939, with the understanding that you will begin at that time to supply our entire requirements as provided for in the agreement.

I shall appreciate your acknowledgement hereof.

Very truly yours, (Sgd.) J. T. H. Armstrong.

EEW

cc—Mr. J. L. Haugh

The above is in connection with your letter dated at Denver, Colorado, July 14th, 1939. I would suggest that you advise Mr. Sinek likewise for the Union Pacific Railroad Company.

bcc—Mr. G. G. Wall, Mr. E. B. Fryer

[fol. 801] (Copy)

July 20, 1939.

Mr. W. J. Sinek, Vice-President, City Ice & Fuel Co., 33 South Clark Street, Chicago, Illinois

Dear Mr. Sinek:

In accordance with the terms of the agreement between the City Ice & Fuel Co., Union Pacific Railroad and Pacific Fruit Express Company, dated Feb. 13, 1939, the Union Pacific wishes the City Ice & Fuel Company to commence furnishing the railroad's ice requirements at Kansas City, ninety days from this date.

Mr. J. T. H. Armstrong has already advised you on behalf of the Pacific Fruit Express Company.

Will appreciate your acknowledgment.

Yours very truly, (Sgd.) J. L. Haugh.

cc—Mr. G. E. Stanley, Mr. C. P. Cahill, Mr. J. T. H. Armstrong, Mr. G. G. Wall

[fol. 802] (Copy)

The City Ice and Fuel Company

33 South Clark Street

Chicago

July 24, 1939.

Mr. J. L. Haugh, Vice-President, Union Pacific Railroad Company, Omaha, Nebraska

Dear Mr. Haugh:

This will acknowledge receipt of your letter of July 20, stating it is the desire of the Union Pacific Railroad Com-

pany to have the City Ice & Fuel Company commence furnishing the railroad's ice requirements at Kansas City, in accordance with the terms of the agreement between the City Ice & Fuel Co., Union Pacific Railroad and Pacific Fruit Express Company, dated Feb. 13, 1939, ninety days from July 20, 1939.

We will accordingly arrange to function under the terms of said contract as at October 19, 1939. Just prior to that time we will get in touch with your operating forces to work out such detail as is necessary so that all concerned understand the change, and with the thought that no interruption in service will develop.

Yours very truly, (Signed) William J. Sinek, Senior Vice-President.

[fol. 803] (Copy)

Omaha, July 31, 1930.

Mr. John A. Bennewitz:

Am attaching herewith, for your record, copy of my letter July 20 to the City Ice Company of Kansas City and their acknowledgment of July 25, relative to termination of contract with them for furnishing ice at Kansas City.

Am also attaching copy of letter of July 20 to The City Ice & Fuel Company, giving them 90 days' notice of the date on which they are to commence furnishing ice at Kansas City under our contract with them, dated Feb. 13, 1939. Am also enclosing their acknowledgment of this letter.

(Sgd) J. L. Haugh.

[fol. 804] (Copy)

C-5412.

Omaha—August 2, 1939.

Mr. F. P. Briscoe:

Agreement between The City Ice & Fuel Company, UPRR Co. and PFE Co., covering furnishing and delivery of ice at Kansas City, Mo., and Kansas City, Kans.

Referring to my letter to Mr. Finlayson of March 17, submitting to him for file the above mentioned contract and to his letter to me of April 5, file M 44-13, and to my reply with respect to the effective date of the agreement;

I am now handing you herewith, to be filed with the original of the contract above referred to, copy of Mr. Haugh's

letter to The City Ice & Fuel Company dated July 20, 1939, advising that the Union Pacific desires the Ice and Fuel Company to commence furnishing the railroad's ice requirements at Kansas City ninety days from the date of the letter, and also the original of letter from The City Ice & Fuel Company to Mr. Haugh, dated July 24, 1939, acknowledging receipt of letter dated July 20 and advising that the Ice and Fuel Company would arrange to function under the terms of the contract as of October 19, 1939.

Will you please acknowledge receipt.

John A. Bennewitz.
R.

cc—Mr. J. L. Haugh, Mr. C. P. Cahill, with copy of attachments; Mr. U. K. Hall, with copy of attachments; Mr. J. L. Irish, with two copies of attachments; Mr. Geo. H. Warfel, Supt., Kansas City, Mo., with copy of attachments; Mr. J. R. Frohoff, MM, Kansas City, Mo., with copy of attachments; Mr. G. G. Wall, with copy of attachments; Mr. C. W. Evers.

[fol. 805] PLAINTIFF'S EXHIBIT No. 18

President's File

No. 912

Report on Kansas City Food Terminal

[fol. 806] Telegram

Kansas City, Dec. 4, 1939.

WMJ, Omaha; NAW, Omaha; FWR, Omaha.

Report on KC Food Terminal as of eight AM today.

Nineteen cars on team track. Seventeen cars on house tracks. Seven cars for house tracks, total 43 cars.

Thirty-three produce units occupied and doing business representing 23 dealers. Seven more units, representing five dealers are arranged for moving in today. There are total of 58 units available excluding allied foods building "C".

Nearly all merchants reported good business, some equal and some better than they had been doing on old market and fully up to their expectation.

Thirty-five farmers with turnips, carrots, sweet potatoes, spinach, potatoes and squash on market this morning. This is more growers than at old market and reported business better. There were only five farmers at old city market.

Saw representatives of Santa Fe, Burlington and Rock Island on market early this morning, checking it.

Visited with all dealers and they are uniformly pleased and expressed confidence that this market will be successful. Orig WMJ, Cy NAW FWR Oma. j-60.

JLH

cc—Mr. G. E. Stanley.
cc—Mr. C. C. Weedin.

[fol. 807] (Copy)

Union Pacific Railroad Company

Telegram

KC, Dec. 5, 1939.

WMJ, Oma
NAW, "
FWR, "
GES, Kans Cy
CCW, "

Report on KC Food Terminal as of eight AM today.

Fifteen cars on team track. Four cars unloading on team track. Thirteen cars on house tracks. Total 32 cars.

Three more units are occupied and doing business today.

Seventeen farmers at KC Food Terminal. Five farmers at old city market. On account of small variety of produce available at this time of year the farmers' market is not controlling.

There were 94 grocers' trucks at market between four and eight AM. In addition, 21 truckloads of produce were delivered to retailers by the dealers.

Tuesday is ordinarily light day on the market, and business was slow on both markets. Orig WMJ Cy. NAW FWR Oma, GES CCW KansCy. J-62.

JLH.

[fol. 808] (Copy)

Telegram

KC, Dec. 6, 1939.

WMJ, Oma & OL
NAW, Oma
FWR, "
GES, KansCy
CCW, "

Report on KC Food Terminal as of eight AM today.

Seventeen cars on team track. Eleven cars on house tracks. Total 28 cars.

Twelve farmers at market. Seven farmers at old city market. A few farmers from Platte County, Missouri are going to old market on account of having to pay toll on Fairfax bridge to reach new market. Relief from tolls to growers and customers of new market now being worked out.

There were 91 grocers' trucks at market between four and eight AM. Also, 17 truckloads of produce were delivered to retailers by the dealers.

Market slow this morning, some dealers, however, doing good business.

Orig WMJ Oma & OL, Cy NAW FWR Oma, GES CCW KansCy. J-80.

JLH.

[fol. 809] (Copy)

Union Pacific Railroad Company

Telegram

KC, Dec. 7, 1939.

WMJ, Oma & OL
NAW, Oma
FWR "
GES, KansCy
CCW, "

Report on KC Food Terminal as of eight AM today.

Eighteen cars on team track. Four cars unloading on team track. Ten cars on house tracks. Total 32 cars.

Sixteen farmers at market. Twelve farmers at old city market. Five of the farmers at that market sell to A. Reich & Son, who is supporting the competitive Missouri market. We have also remedied the situation with respect to tolls on the Fairfax bridge.

There were 95 grocers' trucks at market. 15 out-of-town jobbers and 29 dealers trucks leaving the market.

Most dealers happy, saying sales satisfactory. Orig WMJ Oma & OL, Cy NAW FWR Oma, GES CCW KansCy. J-85.

JLH.

[fol. 810] (Copy)

Union Pacific Railroad Company

Telegram

KC, Dec. 8, 1939.

WMJ, Oma & OL
NAW Oma & OL
FWR, Oma
GES, KansCy
CCW, "

Report on KC market as of eight AM today:

Eighteen cars on team track. Eleven cars on house tracks. Total 29 cars.

Eleven farmers at new market. Five farmers at Missouri market.

K. C. Food Terminal had:

120 grocers
36 truckers
22 peddlers
45 produce houses
Total 223 buyers.

Business good. Dealers optimistic. Refreshing to see more activity and buyers in southeast "B" building. Orig WMJ Oma & OL, Cy NAW Oma & OL, FWR Oma, GES CCW KansCy. J-90.

JLH.

[fol. 811] (Copy)

Union Pacific Railroad Company

Telegram B-2404-1501-4

KCMo. 12/12/39.

WMJ NAW—OMAHA and On Line
JLH—Kansas City
FWR—Omaha
GES—KC
GHW—KC
CPC—Omaha and On Line

Report on KC Market as of 9 AM today.
49 cars on team track of which 14 are new arrivals.
No cars unloaded team track last 24 hours.
20 cars diverted last 24 hours.
21 cars on house track, of which 3 are new cars.
7 cars unloaded house track last 24 hours.
70 cars total under load in Terminal.
9 farmers at new market. 4 at Missouri market.
K. C. Food Terminal had:
57 grocers
42 out of city jobbers
37 hucksters
52 local produce house delivery trucks
Total—188 buyers.
Henry Baum in "B" Building establishment now open. Also Market Fruit Company new occupant.
Weather cloudy. Temperature 50. Brisk market 1 to 5 AM. Business slow 5 to 9 AM.
7 new out of town truckers observed in new market who heretofore had not been in our market. B-25. Jt. WMJ NAW JLH FWR GES GHW CPC.

CCW—950.

[fol. 812] (Copy)

Union Pacific Railroad Company

Telegram

B-2404-1501-4
KCMo. 12/14/39.

WMJ NAW—Omaha and On Line
JLH—Kansas City
FWR—Omaha
GES—KC
GHW—KC
CPC—Omaha and On Line

Report KC Market 9 AM.
59 cars team track including 27 new arrivals.
3 cars unloaded team track.
30 diverted.
6 house track including 1 new arrival.
2 cars unloaded house track last 24 hours.
65 loads in Terminal.
10 farmers our market. 4 Missouri.
KC. Food Terminal had:
61 Grocers
35 out of city jobbers
33 hucksters
69 local produce house delivery trucks
Total—198 buyers.

Weather partly cloudy. Temperature 32. Increased sales out city jobbers. Fewer Missouri grocers in market, larger number Kansas City Kans. grocers. 18 additional Kansas City Kans. grocers contacted yesterday urging patronage new market. Checked 8 new KCK grocers our market. B-27. Jt. WMJ NAW JLH FWR GES GHW CPC.

CCW 1040a.

[fol. 813] (Copy)

6GN 1939 Dec. 15 AM 10 59.

KC 15 930AM

WMJ NAW Oma & OL CPC FWR Oma

Report Kansas City Market 9A:
57 cars team track including 33 new arrivals.
7 cars unloaded team track.
28 diverted.
7 house track including 4 new arrivals.

3 cars unloaded house track.
64 loads in terminal.
14 farmers our market.
10 farmers Missouri market.
Kansas City Food Terminal had:
67 grocers
52 out-of-city jobbers
36 hucksters
67 local produce house delivery trucks
Total—222 buyers.

Weather: Partly cloudy, temperature 39, sales brisk to out-of-city jobbers until 4A. Farmers cleaned up well. Dealers optimistic. Those in "D" building did much better business. Some improvement number Missouri grocers our market. Contacted 10 Kansas City, Kans growers and 4 New Kansas City, Kans grocers observed in our market this morning. B 29. JT WMJ NAW CPC Oma & OL FWR Oma JLH GES GHW KC.

CCW.

[fol. 814] (Copy)

1939 Dec 22 AM 11 42.

8T 8GN

KC 22 1025AM

WMJ NAW CPC Oma & Ol FWR JLH Oma

Report Kans City Market 9A 22nd:
50 cars team track inc 19 new arrivals
3 unloaded team track
18 house track inc 6 new arrivals
8 unloaded house track
68 loads in terminal
5 diversions
23 on state line team track
Kansas City Food Terminal had:
59 grocers Kansas 25 Missouri 34
50 out-city jobbers from Missouri Kansas Nebraska and Iowa
41 hucksters
69 local produce house delivery trucks all well loaded
Total—219 buyers.
12 farmers ours, 4 Missouri
Gone from ours by 6A.

Partly cloudy temp 21 brisk market outsiders here early dealers and buyers well pleased.

F 722 JT WMJ NAW CPC OM & OL JLH FWR OMA GES GHW KC.

CCW.

[fol. 815] (Copy)

1939 Dec 26 AM 10 28.

44 8GN

K C 26 101 OAM

WMJ NAW CPACOMA & OL FWR JLH OMA

Report Kansas City Market 9A 26th:
77 cars team track inc 56 new arrivals
10 unloaded team track
16 house track inc 13 new arrivals
14 unloaded house track
93 loads in terminal
17 diversions
65 on state line team track.
Kansas City Food Terminal had:
43 grocers
39 out-city jobbers from Missouri Kansas Iowa
29 hucksters
61 local produce house delivery trucks all well loaded
Total 172 buyers.
6 farmers ours 3 Missouri.

Snowing temp 30 market brisk 12 midnight to 5A then slow F 726 JT WMJ NAW CPC OMA & OL JLH FWR OMA GES GHW KC.

CCW.

[fol. 816] PLAINTIFF'S EXHIBIT No. 19

President's File No. 912

Kansas City Food Terminal—Model

[fol. 817] (Copy)

(U. P. R. R. President's File No. 616)

At Denver, Oct. 18, 1939.

Mr. W. S. Basinger:

Mr. Stanley tells me that Mr. Mattes has written you about space in the exhibition tent at Lawrence, Kansas, in the National Corn Husking Contest, Nov. 1 to 3.

Mr. Stanley would like to include in the display in that space the Kansas City Food Terminal model and some pictures of the Fairfax Industrial District. I believe this would be a good plan.

The estimates of attendance at this corn-husking contest run as high as 100,000. It will be the biggest event of its kind yet held in the United States.

(Signed) J. L. Haugh.

cc—Mr. G. E. Stanley, Mr. E. G. Reed.

(Ink Notation:)

Mr. Haugh—this matter of exhibit of an agricultural nature was discussed with Mr. Robinson who agrees it would not be advisable for this dept. to participate.

(Sgnd) E. R. R.

[fol. 818] (Copy)

Kansas City, Missouri
December 9, 1939.

A-601-1806-1

Mr. F. W. Robinson, Omaha, Nebraska.

Yours December 1, file A-601-2401-991 about advertising in the "United Fruit and Vegetable" souvenir program.

It is our recommendation in which Mr. Haugh and Mr. Stanley orally concur, that you also authorize a page advertisement, covering the Kansas City Food Terminal in the above publication.

(Signed) C. C. Weedin.

CC/Mr. J. L. Haugh, Omaha, Nebr. Mr. G. E. Stanley, Kansas City, Missouri.

[fol. 819] (Copy)

Union Pacific Railroad Company

Telegram

Mailgram

K. C., 12/12/39.

File: A-2404-1501-1

Air Mail

Mr. E. G. Koeneman—Dallas:

Mr. E. J. Hanson's letter December 8th, File H-601-2404-991, with reference to the matter of displaying models both

Denver and Kansas City Food Terminals at the United Fresh Fruit & Vegetable Shippers Association Convention to be held Rice Hotel, Houston, Jan. 15th to 19th, inclusive.

You have been furnished dimensions of these models which are:—

Denver model—approximately 10 x 4 ft., weight not known.

Kansas City Model—approximately 12 x 4 ft.—weight 1000 lbs.

It is desired that you arrange for suitable exhibition space for both these models, charges for which you advise will be $25 each.

We will advise you later regarding shipment of models, etc. A-71.

C. C. Weedin—4:40 PM.

Cy.—Mr. J. L. Haugh, Mr. G. E. Stanley, Mr. E. J. Hanson, Mr. W. T. Price.

[fol. 820] (Copy)

Dallas—December 20, 1939.

File: 3010.

Mr. E. J. Hanson:

Your file H-601-2404-991 of December 8th, having reference to display of Denver and Kansas City market models at the U. F. F. & V. S. A. Convention.

I have written confirmation from the Rice Hotel, Houston, Texas, assigning us Exhibit Spaces No. 3 and 4 for the period of the convention, January 16th to 19th, at a total cost of $50.00 for both exhibits.

You will no doubt advise me regarding shipment of the models that we may handle for display.

(Signed) E. G. Keeneman.

cc—Mr. C. C. Weedin—Your A-71, file A-2404-1501-1, Mr. W. T. Price, Mr. J. L. Haugh.

[fol. 821] PLAINTIFF'S EXHIBIT No. 20

President's File 912

Kansas P. W. A. Project

No. 1356-F

Wholesale Fruit and Vegetable Market

[fol. 822] City of Kansas City, Kansas

July 22, 1938.

Public Works Administration
Washington, D. C.

In re: Project Kansas No. 1356

Gentlemen:

The above-named project was filed under date of June 15, 1938, with Honorable George M. Bull, Regional Director of the Public Works Administration, at Fort Worth, Texas. On June 20, 1938, Mayor Don C. McCombs, Commissioner George T. Darby, and other officers and citizens appeared before Mr. Gray, the Deputy Administrator, at his office in Washington, D. C.

In this letter we desire to state the further proceedings carried on by the City in putting into effect and making possible the further development of the Public Levee at Kansas City, Kansas, according to the plan presented in the application, known and designated as Kansas No. 1356.

In connection with this improvement, it is essential that a dangerous railroad grade crossing be eliminated. To accomplish the elimination of this hazard, it is necessary to build a viaduct, and the City is required to acquire and purchase the ground necessary for the west approach. This ground has been acquired at a cost of $87,000. which has been paid to the owner of the land designated by the Kansas State Highway Commission, and the Bureau of Roads & Highways, as necessary for the west approach.

The City owns the ground for the east approach, and the District Director of the State Highway Commission has an-

nounced that the contract for the viaduct will be let about thirty days from July 15th.

This viaduct will constitute the main entrance to the Market.

A new contract with Stifel, Nicolaus & Co. Inc., has been made, to purchase the revenue bonds necessary to supply the funds other than the grant, needed to accomplish this improvement, and to retire the existing outstanding revenue bonds.

The City has continued the work of procuring lessees to provide the revenues necessary to retire the revenue bonds, that will be necessary to be issued.

[fol. 823] The City has required its architects and engineers to have their plans in such shape as to begin the letting of contracts as soon as the funds, including the grant prayed for, are made available.

There is a very large amount of unemployment in the City of Kansas City, Kansas, and in Wyandotte County, in which the City is located, especially among the particular trades that would find employment in the construction of the wholesale food and vegetable market terminal. Both private and public building has fallen off to such an extent that the situation of this class of labor has become acute.

In its further continued survey among the groups of people that would engage in business in this market, it h been determined that the demand for the facilities plann to be constructed will be sufficient to take practically all of the facilities, and that the merchants, as well as local farm producers, will not only patronize, but will combine in their efforts to make such a food and vegetable market a complete success.

Having determined that the market project is financially sound and economically desirable, and that its construction on the site is a proper use of the ground, and that the same will be a benefit not only to the City itself, but also to its trade territory, we the undersigned, constituting the governing body of Kansas City, Kansas, urge that our application for grant be approved. The assurances and confidence of the Investment Corporation which has contracted to buy our bonds, and the assurances also of our engineers and architects are such that we pledge ourselves to initiate the construction of the improvements, and to let contracts for

the same, which we believe can be done within 45 days from the date of the grant agreement, or allocation of the grant.

Respectfully submitted.

(Sgd) Don C. McCombs, Mayor of Kansas City, Kansas; Geo. T. Darby, Commissioner of Finance, Health & Public Property; H. F. Schaible, Commissioner of Boulevards, Parks & Streets, Constituting the full membership of the governing body of Kansas City, Kansas.

[fol. 824] (Copy)

Alonzo H. Gentry, Voskamp & Neville
Architects
Inc.
4 West Thirteenth Street

Kansas City, Mo.,
July 23, 1938.

Mr. G. E. Stanley, Mayflower Hotel, Washington, D. C.

Re: Food Terminal, Kansas City, Kansas.

Dear Mr. Stanley:

We beg to advise that we will be able to complete plans on the above project for all buildings except the cold storage unit in a period of thirty days after we are notified to begin work.

Yours very truly, Alonzo H. Gentry, Voskamp & Neville, Architects, Inc. By (Signed) E. B. Voskamp.

[fol. 825] (Copy)

City of Kansas City, Kansas

July 26, 1938.

Public Works Administration, Washington, D. C.

Gentlemen:

Re: Kansas P. W. A. Docket 1356
Wholesale Fruit and Vegetable Market.

Deep public interest and wide discussion have been aroused by the application of Kansas City, Kansas, for a federal grant under the Public Works Administration for the construction at the junction of the Kaw and Missouri Rivers of a wholesale fruit and vegetable market to serve Greater Kansas City. Very much of this discussion has

been highly favorable to the project, but one dissenting protest has been filed by a delegation representing an organization of property owners near the present Kansas City market through the North Side Business and Improvement Association of Kansas City, Missouri.

Courteous cognizance is hereby taken of this protest and of the arguments advanced in it against the building of a wholesale food market in our City. Because of this protest, but also because of the great volume of friendly and favorable public interest in the matter, it seems now that a new summation and clarification should be made regarding the proposal known as Kansas P. W. A. Project No. 1356.

Before entering into this brief and straight forward discussion of the wholesale food market question, however, it is respectfully requested that four points be borne constantly in mind:

First, Kansas City, Kansas, is not now and has not in the past, opposed or attempted to handicap any plan or proposal for a food market made either by Kansas City, Missouri, or any other municipality. Its plan for a terminal food market was conceived and is presented on its own merits, based upon the need for it and the advantages it can offer.

Second, the proposed market in our City will be exclusively wholesale, and will not, therefore, interfere with the operation of a retail farmers' market in Kansas City, Missouri, which has been planned, and it may be advisable to construct same.

Third, Kansas City, Kansas and Kansas City, Missouri, in actuality constitute one great City and market, served by the same street car and bus system, telephone exchange, railroads and general utilities, with uniform rates by rail, truck and barge so that although politically subdivided the two municipalities form a unit commercially and from a standpoint of population, is hereinafter referred to as [fol. 826] Greater Kansas City. The plan for the wholesale food market in and for Greater Kansas City is made on the broad basis of serving this entire population rather than any one political subdivision in it.

Fourth, the whole question of a modern, efficient and adequate wholesale food market, such as that proposed by our City is not a local or intercity question. It is a question which affects not only a wide surrounding trade market area, the needs of which must be consulted, but has important implications in the entire national marketing picture and merits consideration from that standpoint.

Background of the Kansas City Produce Market

Accident and a gradual haphazard development, rather than any logical planning, led to the establishment and growth of the present Kansas City produce market. Before the railroads were built the steamboat was the most important means of transportation along the Missouri River, and the small frontier town which was to become Kansas City grew up on the bluffs and banks to the south of the river.

There trading goods were landed and loaded into prairie schooners which from this point began the long, dangerous journey to the West over the Santa Fe or the Oregon Trails. For a time the infant city was derisively known as Westport Landing, in other words a mere landing point for goods to be transported to Westport, four miles south, long since absorbed by Kansas City, which was at first the real starting place of the Santa Fe Trail. This is mentioned to illustrate the method of the establishment and growth of the City. It sprang up as a collection of cabins, stores and warehouses beside the river at a point where steamboats could discharge their cargoes for a historic overland trail trade.

Early in the City's history a square block of property was given to the small municipality by a member of the pioneer Gillis family, to be used as the market place. This square located between Fourth and Fifth and Main and Walnut Streets, was used not only for a farmers' retail market, but for auctions, public meetings and many other activities. It was adequate for the Kansas City of the '70's, but has become woefully inadequate for the great modern City of today.

Farmers in those pioneer days habitually came to town on Saturdays to market their produce, at which time store keepers and often householders purchased enough food to last for the coming week. As time passed and the City grew, however, a demand arose to devise some means to insure a more constant supply of goods, so that fruits, vegetables and other products could be obtained on other days besides Saturdays, especially since the primitive condition of the roads, or rather trails, of that period sometimes made it impossible for farmers to come into town at all during the [fol. 827] periods of bad weather. As a result, in the spring of 1888, the City erected a building on the east side of the square to house a wholesale produce trade, with some provision also for retail dealers.

Lusty and fortunately situated, the young City grew rapidly and spread far to the south and east of the old market square. The small area set aside for marketing purposes had long been outgrown, but congested as it was, the old market continued to function as best it could.

Agitation to remedy the situation was started in 1904 which eventually resulted, in 1910, in the purchase by the City of another square block of property contiguous to the old market square, and the building of a new market structure. This building, however, was so badly planned that although it was designed for a farmers' retail market, the farmers refused to use it because not enough space was provided for their wagons or the displaying of their goods. In 1917 the City Council remodelled the building into a market house for both wholesalers and retailers, barring farmers out of it by City ordinance.

The Present Kansas City Produce Market

That is the manner in which the present food market in Kansas City developed. It grew from a country-town market square where farmers sold their produce in central location, into a place far from the center of the present large City, in which today wholesalers, brokers, jobbers, small retailers and farmers are mixed in almost inextricable confusion.

The deficiencies and inadequacies of the present market are many, but some of the more important ones might be of interest:

The present market is not only far from the center of population of Greater Kansas City, but it is impracticably distant from rail unloading facilities. The Kansas City Southern Railroad team tracks, the nearest to the market, are from one-half to three-fourths of a mile away. Team tracks of all other railroads entering the City are from one and one-half to two miles distant.

The result is that almost all of the 94 stores (wholesale and retail) making up the produce district are under the necessity of hauling their consignments from the railroad by truck. A conservative estimate of the amount of such hauling done each year is 7,500 carloads, which at an average cost of $20 a car—a figure obtained from a consensus opinion of the dealers who do the hauling—means an expenditure of around $150,000 a year, without taking into consideration losses occasioned by exposure to the weather, handling, and hauling over rough streets, all of which cause deterioration

and spoilage, equal to that of unnecessary cartage. Thereby, [fol. 828] a burden of $300,000 (estimate of U. S. Department of Agriculture) is placed on the industry, and added to the cost of living.

Few of the stores have storage facilities and only five or six have cold storage rooms. This is another large cause of spoilage losses. Efficiency in handling produce is impossible, due to the antiquated plan of the place. The streets are narrow and jammed with trucks and wagons, not only of dealers, but also of farmers who have no place to sell their goods except in the streets in front of the stores. This causes endless confusion, delay, and even accidents, besides creating an intolerable condition of constant friction among persons whose interests thus forcibly clash.

Narrowness of the streets is an aggravating factor. The streets are mostly fifty feet wide, enough for ordinary traffic, but when farmers' or dealers' trucks are backed into the curbs on each side, extending out into the street, there is very little room left to permit traffic to pass. This situation is made even worse by the unfavorable topographical lay of the land. It is extremely hilly, with a variation in elevation of 36 feet within 650 feet, making it almost impossible for the building and operation of railroad yards in the vicinity even if there were room for such yards.

Many of the buildings are in poor repair, the stalls of the dealers are in many cases too small, and there is no pretense of keeping separated different types of business, so that retailers, wholesalers, jobbers, brokers and farm marketers are in a tangled mass throughout the business day.

It is generally admitted and understood that Greater Kansas City stands in serious and immediate need of a larger, more modern and more sanitary food market, located at a more accessible place, and this is the need which it is proposed to fill by the construction of Kansas P. W. A. Project No. 1356.

Can the Old Market Be Made Adequate?

Shortly after plans for a new wholesale market in our City were announced, a hurried proposal was drawn up by a group interested in keeping all the market in the "North End" which was designed to provide for the building of a combined new wholesale and retail market on the site of the present City market. This new wholesale and retail market plan was an afterthought, being superimposed upon a plan

already drawn up to rebuild the old City market into a new retail farmers' market.

The latter, and original plan, is in line with the traditional policy of Kansas City to provide a market for retail and farmers' trade, leaving wholesalers, brokers and jobbers to find whatever room they may discover in vacancies left in the City's building, or in privately owned buildings surrounding the market area.

[fol. 823] The afterthought proposal for a new wholesale and retail market in Kansas City, in place of the projected new retail market, contemplates the condemnation of a considerable section of ground now covered with buildings, with the collateral hope that a railroad will buy additional land and construct team tracks which will be accessible to the new market. There are a number of things which render such a plan impracticable. The topography of the land is such that only by many series of steps up and down would a person be able to walk along the loading docks. The location is on some steep hills which could not be levelled. A railroad could not pull cars up such an extremely steep grade or otherwise get them to the proposed team tracks. No level place exists for the cars to stand, or for trucks to be loaded or unloaded.

The cost of such a project would be prohibitive. If the City attempted to condemn the property and raze it to make way for the market building, it has been estimated by experienced property evaluators that the cost would be several millions of dollars—perhaps as high as ten millions—a sum which would be much too large for the produce industry to pay for. As a result, either the produce industry would be forced to expend for the market as much or more than it would save through increased efficiency of handling, or the expense would have to be borne by a general property tax levy on the City.

Even if, however, this money was spent, the proposed market at this place would still continue to be unsatisfactory and inadequate. Four or five acres at the most could be devoted to it at this point, whereas many times that acreage is needed for efficient operation of such a market. The proposed acreage, moreover, would lie across so many City streets that City traffic would seriously interfere with the traffic in the market and vice versa. The hilly, unhandy lay of the land would still remain. Slum districts which at present surround the market and constitute one of the ob-

jections to it, would still surround it. And the market would be as far as ever from a central place from a population standpoint, or even a convenient place to reach from other parts of Kansas City.

Advantages of the Kansas City, Kansas, Market Plan

Plans and specifications of the new Kansas City Food Terminal market, to be built in Kansas City, Kansas, on the West bank of the Missouri River just north of its confluence with the Kaw, have already been presented to the Public Works Administration. These plans were drawn up according to the best advice and latest practice in the industry, but they are subject to any changes which will improve them.

Under these plans approximately sixty-two acres of land along the Missouri River (State line between Missouri and Kansas) will be utilized in building the market. This is in [fol. 830] contrast to the approximately three acres now owned as a market site by Kansas City, Missouri, and the five or six acres which might be proposed as a future market site area there, provided the City votes bonds to acquire additional land.

Experience shows how essential is a liberal space for the efficient operation of a market. A minimum of fifty acres should be allowed. The North Ohio Food Terminal at Cleveland, Ohio, occupies fifty-eight acres and in spite of this is crowded. Buffalo, Chicago, Detroit and other important centers of population have correspondingly large tracts for their markets.

In conjunction with the market itself, it is imperative to have an efficiently arranged and operated consolidated railroad team track and inspection yard system, together with a wholesale farmers' and producers' market stores for firms doing a wholesale business only, offices for wholesale brokers, jobbers and other businesses allied to the wholesale food industry, such as warehouses, cold storage plant and other facilities.

It has been found, moreover, that city blocks of ordinary size are not adequate for the purposes of a market such as this. Instead of thirty to fifty feet between buildings as in ordinary city streets, there should be a space of not less than 130 feet, all paved, between the buildings, as well as a large segregated parking area for automobiles and trucks for buyers, truckers and others. Another point is that such a

market should, while being readily accessible to outside thoroughfares, not be invaded and bisected by city streets, and must be in such condition that it can be fenced and properly policed and regulated. It should, moreover, be free from political control, and should be managed and operated by an association of the dealers and farmers who use it.

All these qualifications are met in the plans for the Kansas City Food Terminal market. Applicant City already owns the tract of ground on which it is proposed to build the market. This tract is absolutely level, and does not have a building on it—a matter of importance. The fact of the City's ownership insures the immediate start of work on the project whenever it is authorized, without waiting for the long process of condemnation and litigation which always ensues upon the beginning of condemnation proceedings. It is situated so that no thoroughfares pass through it, although it is immediately contiguous to excellent highways and the prominent Intercity Viaduct jointly owned by both Kansas Citys.

There is ample space for team tracks and inspection railroad yards on city property. Since it has not as yet been spoiled, it can be planned according to the most modern ideas. It can and will be properly fenced, policed and regulated, under the supervision of an association of dealers formed under provision of the lease contracts and operated without political control.

[fol. 831] The topography of the tract is such that it lends itself to an easily constructed and efficiently laid out system of railroad yards, classification yards, sorting yards and an open team and inspection yard, coupled with an agreement by a railroad company to construct at its own expense such team and inspection yard and other rail facilities close to the market. By terms of the lease proposed, this railroad company will permit the placing of cars of all other lines on team and inspection tracks, at the regular switching charge prescribed by the Interstate Commerce Commission. The railroad company further agrees to pave all spaces between team tracks for the use of trucks and wagons, and will properly light its track system, provide adequate water facilities and pay an annual rental to the City for the use of the ground.

Under present plans four market buildings will be constructed for use by wholesale dealers in fruits and vegetables. These buildings will contain 79 separate store units

for wholesalers only. Retail sales will be prohibited. In addition, a farmers' wholesale market will be provided with sheds and space for 448 farmers. A cold storage house is also contemplated, and required for the conduct of a large wholesale market for fresh fruits and vegetables.

A further advantage is presented by the proposed new market site, in that it is located directly by the Federal Barge Dock on the Missouri River. While towboat traffic is not at present an important means of transportation in the produce industry, the river facilities are right at hand if the market should require them.

Kansas City as a National Marketing Center

Because of its geographical location and the manner in which railroad systems radiate from it, Kansas City is potentially the most advantageous diversion point in the United States for Western and Southern fruits and vegetables consigned or moving to the East, and for Southeastern fruits and vegetables consigned to the North and West. Under conditions obtaining at present, it cannot be efficiently so utilized because there are no adequate facilities for the inspection, packing and distribution of products in the present market arrangement.

The potential importance of Kansas in this respect is recognized by growers and shippers from far parts of the United States. As a matter of fact, we have had the advice and assistance of one of the largest cooperative marketing associations in drawing up the plans for the wholesale market.

In addition to this, Kansas City is, and should increase its standing as, a primary produce market. Some of the types of fruit and vegetables grown in this area are unsurpassed anywhere in the country. A ready market would [fol. 832] without doubt stimulate growers to increased productivity in the fertile Missouri and Kaw valleys.

The Kansas City Food Terminal project at once offers facilities and advantages which would greatly aid in achieving the objective of enhancing Kansas City's position as a food marketing center. It would provide track space for sorting and teaming, offices and facilities for inspection, packing and distribution, and equipment for speedy and efficient handling. It has been stated that with proper railroad trackage and adequate space for hauling and storage, an average of twenty-four hours can be saved on each and every shipment in Kansas City, which is an item of conse-

quence on perishable, iced traffic, such as fresh fruits and vegetables.

The Kansas City Food Terminal thus assumes national importance. It will shorten the period between the grower and consumer, thus making for better and fresher food; it will eliminate much of the spoilage and waste due to delays and long truck hauls, thus making for lower prices and a reduced cost of living; and it will aid growers in the marketing of their products of the soil.

Sociological Factors in the Market

One of the discouraging phases of the present city market is the working conditions under which it is operated. It would be difficult to present an exact word picture of the market during the busy hours. Theoretically the day starts at 4 a. m., but long before this, and through the night, farmers are coming in with their trucks, seeking curb space and attempting to arrange their produce for the opening of a market day.

Ostensibly a farmer can pay a small monthly fee and reserve space at a curb, but actually these spaces are never reserved and held for the farmer, with the result that the farmer, finding his curb space occupied by some earlier comer, either must argue the previous arrival into leaving, which sometimes leads to unpleasant altercations and usually to refusal, or seek a new space for his own truck. Often such space is impossible to find for late arrivals and farmers therefore seldom reserve curb space any longer.

Because such reservations have proved worthless, farmers must get their trucks to market hours earlier than would otherwise be necessary, to find a space in the unreserved curbs. Actually farmers begin to arrive at the market eight or nine hours before they can begin to sell their products, which is irksome and unjust to them, since they cannot leave their trucks for fear of theft. No shelter is provided for them, moreover, and in inclement weather they are at the mercy of the elements.

[fol. 833] Workers in the stores, both retail and wholesale, sometimes lead the proverbial dog's life. They often work in old basements which have been used for eighty years or more, and here, ill-ventilated and gloomy, they sort over vegetables and fruit which later is to go out for human consumption. Their hours are extremely long, due in part to the inefficiency of the place. Buyers and sellers must travel over much unnecessary territory because of the widely

scattered railroad team tracks and much time is continually lost in searching for cars on the tracks in widely separated parts of the city.

Congested conditions in the market area make for arduous labor. Often it is virtually impossible to get down the crowded and tangled streets. As a result retail grocers, coming to the market for their morning's purchases do not attempt to go to the wholesale dealers in their truck. A grocer parks his truck perhaps a block or two away. He goes into the market on foot and finds a wholesale farmer or dealer from whom he wishes to buy. Perhaps he buys a few sacks of potatoes from a farmer. One of these sacks he puts on his back and carries to his truck. Then he must remain there and watch that truck for fear of having the potatoes stolen before he returns with another load. The farmer must carry the rest of the sacks, beside running the risk of being robbed meanwhile, unless he brings a boy to watch the truck while he is gone. This wasted labor is both exasperating and inefficient.

Bringing of boys and young men to the market in its present location is enough to concern those who are interested in the social aspects of the situation. The market is located in the center of a slum district where objectionable moral conditions exist. Your farmers and truckers, coming to the market several hours before trading, find themselves with much idle time on their hands. This idleness makes them an easy prey for all forms of vice.

The question of thievery has been mentioned. This is a constant danger as many farmers and grocers will testify. Persons using the market have to keep an eye at all times on their loads of produce. Children, chiefly small boys, hang around the market, coming from the slum homes. Temptations to steal and the example of elders are always before them in such a haphazardly run institution as this market, and it is probable that no inconsiderable number of youngsters thus obtain a first and unwholesome lesson in crime.

Finally, there is an objectionable form of extortion practiced. A regulation prohibits truckers from selling on the market until 4 a. m. This hour is so late that out-of-town buyers wishing to have produce in their stores by 6 or 7 o'clock find it impossible to make their schedules. Either the farmers and truckers must sell in violation of the regulation before 4 a. m., or lose these out-of-town customers. As a result there are many bootleg sales. It is not difficult to make the arrangements but then comes the delivering of the

[fol. 834] goods, and the situation becomes more difficult. A way has been worked out whereby the farmer can move his truck into a nearby filling station and unload it there—but he must pay the filling station operator fifty cents every time he avails himself of the privilege. If this payment is not made and produce is unloaded anywhere else, a fine is assessed for violation of the regulation.

Remedy for These Conditions in Proposed New Wholesale Market

These conditions will all be eliminated when the Kansas City Food Terminal market is placed in operation. A dealers' association will be formed under the provisions of the lease agreements, which will control the market, removing it from political manipulation. When a dealer or farmer reserves a stall, he will be given a number and registered. His right to that stall will thereafter be maintained for him by adequate authority on the part of the dealers' association, so long as he remains in good standing. There will, therefore, be no necessity of going to the market eight or nine hours in advance of the opening, since the farmer or trucker knows that there will be a reserved space for his truck.

Workers in the storage plant and warehouse will have clean, well-ventilated and modern places in which to do the sorting, inspecting and distributing of produce. No rats, disease-carrying rodents, or accumulated filth and decay will come into contact with vegetables and fruit, and there will be consequent cleanliness of the products moving to the consumer. Hours will be shortened because of the convenient, orderly arrangement and the adequate room. No time need be lost searching for cars on team tracks for these will be contiguous to the centralized, modern wholesale market. There will be plenty of space for buyers to drive right up to the stores of the wholesale dealers and stalls of the wholesale farmers.

The proposed new market site does not lie in a slum district, and objectionable moral conditions do not obtain in the neighborhood in which it is situated. Even did it so lie, however, farmers and truckers would be less likely to be victimized by vice since they will no longer have long wasted hours hanging idle on their hands. But regardless of what the surroundings are they would be effectively barred from the market by means of adequate fencing and policing.

Thievery will be stopped by exclusion from the market area of persons who do not have legitimate business there.

The extortion racket will be eliminated, because political control will be absent, and because provision will be made to take care of early out-of-town buyers in a legitimate, legal way. These are a few of the social betterments which will accrue with the construction of the Kansas City Food Terminal for Kansas City and its trade territory.

[fol. 835] How the Idea Has Been Received

When plans were first announced for the new and modern fruit and vegetable market, it was heartily received by the wholesale dealers and farmers who are familiar with conditions existing in the Kansas City market.

In a striking manner, the success of the project has been assured. Wholesale dealers and farmers have signed leases reserving space in the proposed new market. At this date, fully 80 per cent of all the available space has been leased, and by the time construction of the market starts, it will be a fully leased market.

Seventy-eight per cent of the farmers bringing produce to the Kansas City market are from Kansas, and twenty-two per cent are from Missouri. To almost eighty per cent, therefore, the location of the proposed wholesale market will mean a shorter haul, while even to the twenty per cent from Missouri the straight drive over the P. W. A. improved Intercity Viaduct will cause little delay.

One point which strongly appeals to the farmers is the guarantee of assigned space in the market and the exclusion of itinerant peddlers and outsiders from preying on the market. It is anticipated by them that when a man becomes established in a certain booth or stall he can become known as a good producer and grower.

Steps Taken for the New Wholesale Market Project

Interests which are in opposition to this project have sought to discredit it as a "promotion scheme". Nothing could be farther from the truth. It is respectfully suggested that a similar attempt was made to discredit P. W. A. Project No. 4820, for the building of the River-Rail grain elevator on the same property owned by the City, in which proponents of the plan were accused as "promoters" and the question was fought out. The River-Rail elevator was successfully completed through the help of the Public Works Administration. On Sunday, July 17, there appeared in

the Kansas City Star a feature article which reflects the attitude of our community toward this splendid new commercial addition. A copy of this article is attached hereto to evidence the new feeling of pride in Kansas City toward the once-maligned P. W. A. Project No. 4820. We believe that an even greater pride and appreciation will be felt in P. W. A. Project No. 1356 when it is completed and in operation.

Reference has been made by interests opposing this project to the fact that Kansas City, Missouri, has authorized $500,000 in bonds to improve Kansas City's retail farmers' market. The bonds were voted in 1930, and no part of the issue has been expended to construct new facilities. In the meantime, our city, for and on behalf of Greater Kansas City and its trade territory, has demonstrated sincere interest in this project, as follows:

[fol. 836] On April 2, 1935, citizens of Kansas City, Kansas, voted a bond issue of $300,000 to improve city-owned site on the river bank, being the proposed site for the new wholesale market, including the elevation of the ground and making it usable. In 1936, an improved highway was built through this tract at a cost of $240,000. In 1937, general obligation bonds were issued in the amount of $22,000 to finish bringing the land to a sufficient elevation to make it more suitable for market purposes. Within the past ten days, temporary notes for $87,000 were issued to acquire property and permit the building of a viaduct from Minnesota Avenue to property set aside by the city for wholesale market purposes.

Totalled, that makes a sum of $649,000 actually expended by Kansas City, Kansas, already, whereas the $500,000 bond issue for the improvement of the old market in Kansas City, Missouri, was authorized in 1930, but not expended. Now our city stands ready, able and willing to provide further sum of $4,151,135 to carry out the project, including the refunding of $1,033,000 of bonds purchased by Public Works Administration under Kansas Docket 4820, provided Federal grant is now authorized.

Our city also initiated and procured the enactment of enabling legislation to carry out the plan to construct a wholesale fruit and vegetable market for Kansas City and its trade territory, which was not resisted until we have made ready to do something.

Respectfully submitted, (signed) Don C. McCombs,
Mayor, Kansas City, Kansas.

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